Canada's Biggest Problem (Page 11)

Design for Investing (Page 11)

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

ENLARGED MINING SECTION
A WEEKLY FEATURE
PAGES 18-20

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The Nation's Business

Railway Issue Much to Fore
Where Would Stevens Get the Billions?
Toronto Rejects Income Surtax
Tax Socialism

Speaking Out on Rail Problem

RAILROADING is the biggest business in which the people of Canada are engaged today. How long can any business continue to run behind at the rate of $100,000,000 a year—$300,000 a day—$12,500 a minute?

C. H. Carlisle, a leading Canadian industrialist, threw out this question in a trenchant address this week in which he said, bluntly and unequivocally, the things The Financial Post has been saying for months about our dallying with our greatest national problem — the losses of the national railways.

Canada's billion dollars of railway deficits since 1919 is, Mr. Carlisle declared, equal to the total value of gold production in Canada since records began in 1858. It is as much as the entire assessed value of property and income in the city of Toronto.

"This is the cost to you and to me, of a railway policy that has never been endorsed directly by the people of this country."

* * *

RECENTLY Jackson Dodds, as president of the Canadian Bankers' Association, threw out a similar warning. Speaking of what yet remains to be done to carry the Duff report into execution, he said:

"Whether it is possible to carry out the Commission's recommendations and bring about the desired results, or to adopt other equally effective measures are, we respectfully urge, matters requiring early consideration and remedial action."

This is putting it very mildly. Mr. Carlisle and Mr. Dodds could both honestly have said that the $200 a second we are throwing into the railway sink-hole is bringing on a national financial crisis in this country, the consequences of which would be of the utmost seriousness to every worker, every farmer, every investor, every citizen.

To avoid this crisis, we are not even trying economy and co-operation on the C. N. R.

* * *

Where Will Money Come From?

OTTAWA reports that Hon. H. H. Stevens is now trying to patch up his quarrel with the prime minister and that all that he lacks is a friendly mediator.

His recent proposal to spend a billion dollars on a building programme will not curry much favor for him with an administrative chieftain whose most difficult task is to balance his budget and keep the national debt from growing until the country's financial structure cracks.

There is point to the query of the Vancouver Province on this proposal:

"What, Mr. Stevens, are you going to use for money?"

* * *

Municipal Taxes and Social Control

THE attempt of a small group in the city of Toronto to impose a graded municipal tax on income has been temporarily checked. By the narrow vote of 11 to 9 the city council voted down a proposal to seek powers to charge additional taxes on incomes.

This plan of Toronto Socialists is a matter that in interest must go far beyond the borders of just one city. If Toronto is able to get from the provincial legislature authority to charge a graded income tax, every city in the province will be in a position to charge such a tax, and municipalities elsewhere in Canada would have before them a precedent which, however doubtful it is in economic merits, would not be without its political appeal.

The proposal in Toronto was that the income tax range from 3½ per cent to 25 per cent on all incomes of $3,000 upward. It was offered by a Socialist controller and supported by the city's chief radical newspaper. There was an alternative proposal, only slightly less obnoxious from another controller. At the present time, all incomes over a moderate exemption are taxable at the ordinary mill rate, which this year is about 3½ per cent.

* * *

THERE is, of course, only one reason why this proposal is being made. Toronto has undertaken all sorts of socialistic experiments

(Continued on page 2, col. 3)

RAIL DEFICITS MAY BE ISSUE IN '35 VOTING

Both Parties Alarmed by Plight of C. N. Railways

CRISIS IN THREE YEARS

Breaking Point in Dominion Credit Not So Far Away, Some Observers Feel

Special Correspondence

OTTAWA.—In both major parties, some serious thinking is being done today on the problem of Canadian National Railways deficits. In conversation with recent delegations which have visited him, Prime Minister Bennett has freely expressed his disappointment with the results from "co-operative competition" since the new board of trustees took the helm of the government-owned line. It is believed that Mr. Bennett regards himself as powerless to do much at the moment about enforcing stricter economy measures on the railway. By the railway legislation of 1933 the trustee board was appointed to give the C.N.R. a non-political administration. Any interference by the government would cause considerable criticism. Yet the Dominion treasury has to dig up the money to pay the losses and does not view with equanimity the continuance of heavy deficits on a scale very little below the peak.

Liberals May Find Issue

Strong forces in the Liberal party are known to be urging the adoption of an "economy on the C.N.R." slogan for the forthcoming Dominion election. It is said that the Liberals may make one of their planks the promise that, if and when they are returned to office, they will require the C.N.R. board of trustees to appoint a committee of outside experts to study ways and means of reducing expenses.

It is not known if Rt. Hon. Mackenzie King would agree to any such policy. In the past, he has urged economy and tax reduction, but on the other hand the Canadian National Railways executive was a rather free-spending body during his regime as prime minister.

No Union Cabinet Now

Political circles continue to discount forecasts of a national government, which is urged by many business men as the only way in which amalgamation of the railways can be brought about. There is still a strong sentiment against amalgamation in any form and among the Liberals there is a tendency to look for an outright majority at the next election. Thus union government holds no appeal to them.

Sober observers feel though that the country is drifting into a financial crisis due to continuing deficits, which are traceable chiefly to the Canadian National Railways, relief and the necessity of financing four of the nine provinces. No one professes to know what is the limit of Canadian credit. But one Conservative authority forecasts trouble by 1937 and a highly-placed Liberal outlines the probable course of events as follows: Liberal victory in 1935; continued deficits in 1936 and 1937; a general realization that drastic economy measures are necessary; an invitation from the Liberals to the Conservatives to form a national government; amalgamation of the railways; and a revision of the B.N.A. Act to solve the financial problems of the provinces, not by increasing their subsidies, but by reducing their legislative, administrative and spending powers.

RECIPROCAL TRADE FOR CANADA-U.S. SCIENTISTS' PLEA

American Enquiry Finds Room For "Swaps" in Tariffs

The Hawley-Smoot tariff adopted by the United States in 1930 played an important part in bringing about "the mutual insanity of the different nations of the world with respect to international trade," the symptoms of which are the world-wide race toward higher tariffs and the enactment of retaliatory measures in other countries.

It was responsible for Canada raising its tariff to the highest levels in the history of the country, hitting severely practically all United States export to this country.

This conclusion is reached by the committee of American social scientists headed by Robert M. Hutchins, president of the University of Chicago, which has just published its findings in a comprehensive volume published by the University of Minnesota. The report urges negotiations for a reciprocal trade treaty between the United States and Canada and discusses at some length the possibility of effecting such a treaty

Canada Important to U.S.

On this point the report says:

"Canada is a principal country for American investments, and Can-

(Continued on page 2, col. 5)

Post Extends Bond Quotations

In order to give Canadian investors the widest possible range of prices for government, municipal and corporation bonds, The Financial Post has been extending its listings. Prices appear on page 16.

In addition to bid and offering prices, the bid of the previous week for each issue is shown for comparative purposes. The Post's bond quotations comprise the most extensive newspaper listing in Canada.

STIMSON HEAD ASKS INVESTORS TO RESTAKE HIM

Sends Glittering But Vague Plan for Huge Profits in One Year

ASKS FOR BONDS

F. G. Johnston, former president of G. A. Stimson & Co. and subsidiary organizations, is circularizing those who lost money in Stimson's Buildings & Investment Co. to lend him their Dominion and provincial government bonds. With this as a foundation in securing financial assistance, he proposes to "acquire one of the best of the Stimson Co. buildings;" he promises to pay interest regularly due on each bond to the owner of it; and the bonds, he says, will be only used as collateral to get a loan to acquire the building, pay accrued taxes and complete the building ready for tenancy.

Mr. Johnston asks only that the bonds be loaned for a period not to exceed one year. He says that the net revenue of the building will be used; first, to pay taxes and operating costs, repairs alterations; second, to pay interest; third, to repay moneys borrowed upon the bonds and to return the bonds to the owners who lend same; and fourth, to compensate those who lend their bonds by buying from them Stimson securities now held by them at cost up to the amount of the face value of the bonds lent.

Huge Losses Recalled

Early in June, 1931, F. G. Johnston and some other executives of G. A. Stimson & Co., were found guilty of publishing false prospectuses under Section 414 of the Criminal Code. Johnston was sentenced to serve three years in Portsmouth penitentiary and was recently released.

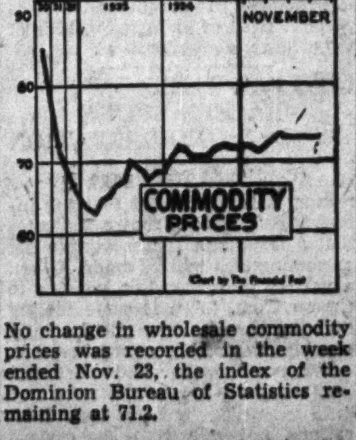
As pointed out by The Financial Post in April, 1931, there was little likelihood that more than $200,000 would be salvaged out of the many millions of dollars collected from the people of Canada by the Stimson organization under Mr. Johnston's guiding hand. The trustee frankly told creditors of G. A. Stimson & Co., parent organization, that they had little chance of getting back a dollar. Only some land on University Avenue, with mortgage and accrued taxes against it, was a possible asset of considerable value. The whole Stimson net-work was so tangled that one inspector had to be appointed to each subsidiary. Stimson's Building & Investment Co. was in as bad case as the others. Assets consisted of shares and debentures of subsidiaries and were insufficient at the best to give more than a fractional return on debentures and nothing on the stock.

Borrow to Pay Back

F. G. Johnston apparently retains all his old optimism. He hopes to borrow bonds from "unfortunate investors in his former companies." He starts with security holders of Stimson's Buildings & Investment Co. which issued $1,555,935 in 7 per cent debentures and $701,500 of it to the public. Class A stock sold to the public at $10 a share totalled $2,540,540 and Class B stock at $2 a share totalled $288,100. Assets were only $14,025.

Theoretically Mr. Johnston offers to make good the $3,500,000 of securities sold on the basis of bonds lent him for one year, pay as well the loan this enabled him to make, pay all taxes, complete the building ready for tenancy and to return the bonds while paying all the interest. Even if he expects to get bonds lent to him to only a fraction of the amount formerly lost by security holders of this company, this would

(Continued on page 2, col. 6)



No change in wholesale commodity prices was recorded in the week ended Nov. 23, the index of the Dominion Bureau of Statistics remaining at 71.2.

BIG JAM FIRM REORGANIZING DEBTS LARGE

Crosse & Blackwell, Canadian-owned, Meets Creditors Dec. 6

BANKS SECURED

Adventured Largely in Sugar—Competed With Large Sugar Companies in Sales

Call of unsecured creditors of Crosse & Blackwell (Canada) Ltd. to the offices of E. R. C. Clarkson & Sons, Toronto, for a meeting on December 6 to see if a compromise or arrangement cannot be made under the Companies' Creditors Arrangement Act of 1933 does not spell the end of the enterprise in Canada as many creditors feared. There is the possibility of a reorganization under the auspices of the parent company in England if the unsecured creditors are willing to adopt measures which encourage the English company to spend more money in Canada.

The Financial Post understands from those close to the organization that this venture got off on the wrong foot in the beginning. It was established by the English company seven years ago in the first place to protect its Canadian business, which was threatened by rising tariff. The initial mistake was in erecting the present plant on Harbor Commission property in the city of Toronto. It was wrongly located.

Might Have Made Money

Its most active competitors had their plants in small towns in canning districts where taxes were much lower, minimum wages lower. Even New Toronto, it was said, would have made a large difference in costs. One informed estimate is that a better location would make a difference of $75,000 a year. In other words, given good management, the company would have made money instead of losing it. At least, it is urged, a small return on capital would have been made. No reduction in rent has been made to the company by Harbor Commissioners.

A surprise to many is that the English company still controls. When Allan Ross several years ago put $250,000 into the company and other prominent Canadians were mentioned as joining the board, it was supposed that control was in Canada. It has been to some extent, but the British company were still in the saddle, held a mortgage on the plant and owned the preferred stock. Allan Ross is popularly credited with having been Santa Claus to the concern for the last two and a half years. In addition to the original investment, the statement of assets and liabilities shows that he has put up $100,000 in advances to make up deficits.

May Leave Toronto

If there is a reorganization, it is understood it will probably be on the basis of profiting from old mistakes. The building on the waterfront will be abandoned so far as the company's business is concerned and a start made again in a canning district or at least some place near by where taxes will be low and wages on a competitive basis. The English company is not likely to do this, however, unless it finds unsecured creditors ready to take what one advocate of reorganization calls "a sporting chance."

Assets Low

The statement of assets and liabilities shows that the company, after amounts owing to the banks and on sugar purchases, has nominal assets of $205,405 only against unsecured liabilities of $510,076. It owes the company's bankers $474,155 and wage-earners $5,000, both amounts being secured by inventories, accounts, deposits, receivables, amounting to $580,545.

This left a nominal equity of $101,390, and against this Thomson & McKinnon, of Toronto, have due to them $82,747 on sugar purchases. This is secured by $13,366 deposit and by sugar valued at $82,747. This left an equity of liquids of $13,366 to apply on preferred claims of $71,103. These preferred claims make up sales taxes of $13,300, excise taxes of $49,000, city taxes of $2,368, and the balance taken up in rent and reserve for salaries and wages.

Sugar Venture Watched

Buildings and equipment on lands leased from Toronto Harbor Commission are shown at $765,548 book value, but the arbitrary value attached to it is $125,000. Against the property is a mortgage and interest totalling $87,800 owing to Crosse & Blackwell, England. This leaves a nominal equity of $37,200. The remaining items in the assets of $205,405 consist of nominal equity over bankers and wage claims of $101,390, loose chattels, bottles, labels, investments.

Trade claims are shown at $328,973, shareholders' advances at $100,000 and reserve for contingencies at $10,000.

The item of $82,747 owed for sugar will draw considerable attention. The lessened demand for sugar for preserving purposes in 1934 because of the shorter pack of most canning fruits left this company with a surplus production from

(Continued on page 2, col. 1)

—Drawn for The Financial Post by R. Kaell.

WHY NOT PUT OUT THE LIFEBOAT?

FRENCH OFFER OF FEED GRAIN ALARMS WEST

Undercuts Canada in New York — Grain Trade Acts

By Staff Editor

WINNIPEG—Nine million bushels of French wheat brought to a head this week the vexed question of whether Canada's railways can offer emergency rates to expedite low grade grain shipments from prairie farms to the U. S. drought area.

For several weeks, government officials and private agencies have been trying on paper to feed hungry U. S. animals with surplus Canadian feed grains. Some shipments have been made but the key to a really big market involving perhaps 25,000,000 bushels of Canadian low grade grain seemed to depend on getting emergency freight rates from Canadian railways.

France Steals Market

Then France this week offered 9,000,000 bushels of denatured grain in the U. S. at 60 cents bushel, c.i.f., New York. Here was a far away competitor stealing the market from under our very noses.

This brought grain trade officials actively into the picture with the request that representatives of Canadian railways meet members of the Winnipeg Grain Exchange to discuss ways and means of facilitating the movement of Canadian feed grains into this market.

That a good market exists for low grade wheat, oats, barley and other feed in drought area of the United States is not doubted. On wheat, for instance, the tariff is cut from 42 cents bushel to 10 per cent ad valorem where the grain is used for feed purposes. On the strength of this, Canadian number six wheat is selling at a good premium over number five.

Decision Rests With Bennett

The answer probably lies with Prime Minister Bennett as to whether he feels the national railway can forego regular rate schedules and lean more heavily on the already overburdened Federal treasury, in the interests of capturing this market.

Assuming the estimate of 25,000,000 bushels is correct, Canada would do herself a good turn by selling this wheat to U.S.A. this winter and relieving her carryover to that extent, it is believed. It is probable that John I. McFarland will be asked therefore to intervene and use his influence to get a favorable decision from Ottawa.

Week's Figures Feature Advance In Employment

Increased employment afforded in logging and mining—greater than the usual seasonal gain—largely accounted for the advance in employment at November 1, as compared with the previous month. A gain of almost 10 per cent in the number of persons employed as compared with a year ago is evident from comparison with the figure for Nov. 1, 1933.

			Change From Prev. Period %	Change From Prev. Year %
Monthly		Nov. 1934		
Employment* index		100.2	+ 0.2	+ 9.8
		Oct. 1934		
Coal output	tons	1,551,379	+10.4	+ 1.8
Coke prod.	tons	204,143	+ 8.4	+12.1
Elec. output	M. kwh.	1,853,388	+14.0	+14.8
Lumber exp.	M. ft.	122,849	— 0.2	+ 3.7
Auto. output	No.	3,780	—32.3	+ 2.7
Weekly†				
Car loadings	No.	50,264	— 1.7	+ 6.0
Cattle sales	No.	20,431	+ 2.0	+34.0
Hog sales	No.	20,996	+ 0.6	—18.0

* November 1.
† Weeks ended Nov. 17, 22 and 22 respectively.

Highlights of the week

Rail Problem
Canada's railways will have to rehabilitate equipment in the next 10 years. How can they do it, if their position does not warrant financing? More light on Canada's rail problem. Page 11

Ideal Investment
G. W. Geddes, general manager of the Northern Life Assurance Co., lays down an investment programme for a small life company. It applies also to the individual investor. Page 11

Stopping Fraud
The place to halt investment frauds is at their source, says Norman Harris. His suggestions for crippling notorious stock crooks. Page 11

Sly Jap Move
Japan masquerades as proponent of disarmament and puts British and American naval policies on the spot. Japanese aims in the Far East. Page 6

Economy of Housing
Slum conditions should be corrected by increasing the income available for distribution, rather than by attempting "ideal" housing for the poor which amounts to redistribution of wealth, says Wellington Jeffers. Page 10

Story of Mine
Ore reserves are regarded as one of the best tests of a mine. How their changes affect a mine's story. Page 20

Russia Today
The Soviets find it expedient to reward merit. How prices fluctuate. Page 8

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BEAUTY FIRST IN NEW BILLS BEING PRINTED

Royal Family and Two Statesmen Shown on Notes

From Our Own Correspondent

OTTAWA—Featuring members of the Royal Family and the two outstanding Canadian statesmen, the Bank of Canada notes which will replace the Dominion currency now in circulation, are being printed at Ottawa.

The change over will be made gradually and will begin just as soon as the Bank of Canada starts operations.

Salient features of Canada's new currency are:

All denominations are being printed in English and French—separate notes for each language, no single note to be bilingual.

The notes will bear the signatures of the governor and deputy governor of the central bank as well as the seal of this institution.

There will be nine different denominations—one, two, five, ten, twenty, fifty, hundred, five hundred and thousand dollar bills.

Series of Vignettes

The Parliamentary library which has appeared on the back of Canadian notes since time immemorial will vanish. In its place a series of allegorical vignettes of surpassing beauty has been approved. These vignettes portray suitable subjects—agriculture, transportation, power, protection, plenty, and so on.

The new notes will be six inches long by two and seven eighths inches wide, instead of the present size of seven and one eighth by three and three eighths. They will be a little wider and a fraction shorter than the new United States currency.

Chief credit for the exquisite artistry which distinguishes the new currency goes to Hon. E. N. Rhodes, minister of finance, who it appears took the lead in demanding the highest standards of beauty and workmanship in preparing the designs for the new money. Mr. Rhodes apparently has desired to improve Canadian currency and coinage for many years, believing the present money to be of inferior design. What steps he will be able to take toward improving coins remains to be disclosed.

Detailed information with regard to all of the new notes save three denominations is now available.

King on Ones

The one dollar bill bears on its face, to the left of the word "One" an oval portrait, head and shoulders, of King George. To the left will appear the seal of the Bank of Canada. On the back is an allegorical figure, placed directly in the centre of the bill, emblematic of agriculture. The figure is that of a woman, seated, facing straight to the front. Across her knees she holds a rake and a hoe. The color of this bill is green, an exact replica of the color of the present dollar bill.

The two dollar bill, on its face, carries an oval portrait of Queen Mary and on the back an allegorical vignette depicting transportation. Mercury stands in the foreground with the world at his feet and in the background are ships, railways and an airplane. The color is black with blue tinting.

Five is Orange

The five dollar bill bears, on its face, an oval portrait of the Prince of Wales. This bill is a beautiful orange shade of coloring. On the back is a vignette depicting power. A reclining figure of a man, grasping in his right hand a sledge hammer, occupies the foreground. To the right is a power plant, with the water foaming through the sluices.

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CENTRAL BANK RACERS SCORN CO-OPERATION

U.F.O. Secretary Criticizes Chamber of Commerce Slate System

MENTION 21 NAMES

List of Probable and Rumored Candidates Shows Nominations Will Give Broad Choice

Canadian Chamber of Commerce is not receiving complete co-operation of trade and vocational organizations in its efforts to draw up a slate to contest the seven directorships of the Bank of Canada, The Financial Post is informed.

It is understood that manufacturers' bodies, mining men and some farm organizations are not satisfied with the procedure proposed by the Chamber, and outlined in last week's Post. The Chamber's slate is likely to meet some strong competition.

The Chamber has suggested that the two representatives of primary industry on the board should come from the maritimes and the prairies; that Ontario and Quebec should have one commercial and one miscellaneous representative each, and that the third director of miscellaneous occupation should be a B. C. man.

Ontario Criticism

Criticism is made of the manner in which the Chamber has suggested directorships, arranged to give geographical as well as occupational representation.

H. H. Hannam, secretary of the United Farmers of Ontario, points out to The Financial Post that the Chamber eliminates Ontario agriculture and mining from representation on the board.

"There are two objections to the summary elimination of nominees of Ontario primary industry," Mr. Hannam told The Post. "First, Ontario agriculture and mining are the most important in the Dominion, and second, the Chamber did not even consult us before proceeding to work on nominations of the two primary industry directorships from the prairies and the maritimes."

Probable Candidates

The extent of the competition for directorships is indicated in the following list of candidates who are understood to be definitely in the field:

Francis C. T. O'Hara, Ottawa, formerly Deputy Minister of Trade and Commerce.

N. L. Leach, Winnipeg, president Searle Grain Co.

Sigmund Samuel, Toronto, metal merchant.

J. P. Watson, Toronto, president, The Mining Corp. of Canada.

E. G. Rogers, Winnipeg, metal manufacturer.

John MacGregor, Winnipeg, investment dealer.

William H. Willson, Calgary, merchant.

Messrs. O'Hara, Rogers and Willson have circularized some of the bank's shareholders in connection with their nominations.

Indefinite Mention

In addition, the following have been mentioned as possible candidates:

John E. Hammell, Toronto, director, Howey Gold Mines.

H. H. Hannam, Toronto, secretary, The United Farmers of Ontario.

W. H. Sommerville, Waterloo, director, Mutual Life Assurance Co. of Canada.

C. A. Adamson, Winnipeg, barrister.

Charles Woodward, Vancouver, merchant.

Robert K. Freudeman, Guelph, manufacturer.

Sir Newton Moore, Montreal, president Dominion Steel & Coal Corp.

Victor M. Drury, Montreal, investment broker, president E. B. Eddy Co.

Robert J. Magor, Montreal, president National Steel Car Corp.

W. C. Finley, Montreal, merchant, director Montreal Tramways Co.

F. R. Phelan, Montreal, president Financial Service.

R. H. Milliken, K.C., Regina barrister.

R. A. Wright, Drinkwater, Sask., important farmer.

J. Arnold Hagerman, Saskatoon, manager.

Large List Expected

While some of these names have been mentioned as little more than

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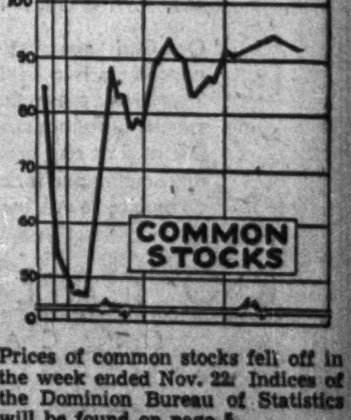

Prices of common stocks fell off in the week ended Nov. 22. Indices of the Dominion Bureau of Statistics will be found on page 5.

MEN'S GOATSKIN GLOVES

$3.25

Smart enough in appearance to please the most fastidious male. Of a quality that will give much satisfaction and a great deal of satisfactory wear. The goatskin is washable—the gloves fully hand-sewn in one dome and pullon styles—the shades, natural, putty, and red tan. Sizes 7 to 9½.

MAIN FLOOR YONGE STREET — ALSO AT EATON'S-College Street

THE T. EATON CO LIMITED

BIG JAM FIRM REORGANIZING DEBTS LARGE

(Continued from page 1)

its small sugar refinery. This was offered to wholesalers and chain stores at a reduced rate. It brought prices down on Oct. 15 to 30 cents a hundred and the over-equipped large sugar refineries met these prices.

Besides the two Rosses other directors were E. L. Ruddy, Sir Henry Drayton and Hon. Arthur Meighen. J. A. McNabb was general manager and for the last year president as well.

Lots of Competition

The company has been having a lot of competition in its lines. Such companies as Heinz, Canadian Canners, Campbell's Soups, Canadian makers of jams, marmalades, catsups, make competing products.

Formed Two Companies

About eight years ago Crosse & Blackwell, Ltd., London, formed a Canadian company, Crosse & Blackwell (Canada), Ltd. The man placed in charge was J. T. Menzies, who had been connected with the food business in Canada and the United States since 1911. In 1925, after forming the Canadian company, he formed Crosse & Blackwell Inc. (New York), and in 1928 Crosse & Blackwell, Inc. (Maryland), to acquire the business and properties of the New York corporation and to own the capital stock of the Canadian company. The London company transferred to Canadian and United States companies rights to all existing and future formulae, processes, trademarks and trade names and made them sole distributors of its products. The chief products are jams, marmalades, pickles, soups, salad dressings, mayonnaise and canned meats. Higher tariffs caused the company in the first place to build plants on this continent.

The United States company has prospered—the Canadian company has not. At the end of 1930 the United States company owed the Canadian company $1,241,854. The U. S. company is still controlled by the British company. The plant and office are at Baltimore, Maryland, with low taxes and competitive wages.

Two Centuries Old

Crosse & Blackwell, Ltd., London, are 228 years old. They originally distributed on this continent through manufacturers' agents and believed that various economies would be effected through manufacture on the spot. Preferred stock with a common stock bonus was sold to the United States public, but no issue with respect to the Canadian company directly was made. The London company guaranteed the dividend. At one time there was talk of Christie, Brown & Co. acquiring a half interest in the Canadian company, but that fell through. J. Allan Ross and Edward L. Cousins were added to the Canadian board in 1928.

Even as late as October 13, plans for aggressive salesmanship were entertained. J. D. McNabb, president, announced the appointment of E. C. Martin as vice-president in charge of sales of the Canadian company and British Educator Biscuit Co. A charter was taken out as National Sugar Refining Co. to take over sugar refining department, but went no further. It will be separated in reorganization.

"Two leading Canadians are going on the board," British shareholders were told back in 1928, "one of whom is in the food business and a millionaire with aggressive go-ahead methods. We have fullest confidence in both companies. In the case of Canada, as we have not a bank overdraft but only provide working capital, we are getting back £75,000, so that, in all, the parent company is receiving back within the next three weeks £175,000."

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THE ROYAL BANK OF CANADA

The Nation's Business

(Continued from page 1)

and the financing of these has proved to be beyond a capacity of land and buildings to carry. Therefore a new source of revenue must be found and it is in line with the theories of the tax socialist that municipal paternalism should be financed by heavy levies upon those of wealth or large incomes. In other words, the income tax is conceived of as a device for redistributing wealth or to put it another way, as an instrument of social control.

Throughout the whole wide world, evidence multiplies that attempting to redistribute wealth by taxation simply reduces the total amount of wealth that is available to distribute and that it creates instead of alleviating poverty. But whatever room for argument there may exist as to the propriety of governments using taxation to advance certain social objectives, it should be obvious to any one that the principle has no place in municipal taxation.

* * *

PEOPLE band together in local communities and establish local governments purely for the purpose of providing themselves with those essential community services that can be most efficiently provided by a local government,—police and fire protection, water, light and transportation (which may or may not be farmed out to private corporations), elementary educational facilities, etc. The wage earners in every community are in competition with the wage earners in every other community. Moreover, they must buy in wider than local markets and sell in wider than local markets. No community can permit its tax burden or its municipal administrative costs to get far out of line with those in other communities.

High taxes on residential property in Toronto and on incomes have been largely responsible for the building boom that has taken place in Forest Hill Village and in the Bayview district, outside the city limits.

Taxes on residences and estates in these and other outlying districts average about a quarter, and in many cases even much less than that, of what the taxes would be in the city of Toronto.

A surtax on income would accentuate this trend greatly. There would be an exodus from Toronto of men and also of industries which would be detrimentally affected.

* * *

EVEN if the graded income tax were universally adopted in all municipalities in Canada, it would still be wrong. A country might stand a certain amount of confiscation of its capital in the form of taxes by the central government. It might with difficulty be able to absorb a second wave of confiscation by the provincial governments. But it simply could not stand a third such raid.

Any attempt to impose sur-taxes on income simply implies that the city asking the power to impose such taxes is undertaking activities which properly belong in the sphere of Dominion and provincial governments—if they belong in the sphere of government at all.

When our towns and cities become the dictators of our social and economic system, then we shall have to wipe out provincial governments, wipe out Confederation too, and turn ourselves into a series of 4,000 city states.

Footnotes to Ottawa

From Our Own Correspondent

Polish Treaty Gesture

THE new trade treaty between Poland and Canada is regarded at Ottawa more as a gesture toward freer trade than as an important instrument for furthering commerce between the two countries. Actually Canada does very little business with Poland. There is no great flow of trade either way and no prospect of creating one. But as a goodwill gesture the Dominion has entered into a trade treaty by which Canada gives Poland most favored nation treatment and a few special tariff concessions, below the intermediate or most favored nation tariff. Poland reciprocates by giving Canada most favored nation treatment, with a special concession on fish.

* * *

Tariff Board Hearings

THE Tariff Board last week held public hearings on applications for higher tariff on dextrine and on hoods, shapes, berets and other forms from which hats are manufactured. The dextrine application was sponsored by the Canada Starch Company of Cardinal, Ont. Dextrine is dutiable at 5 per cent, 7½ per cent and 10 per cent. It is a form of starch and is used chiefly by textile companies, some newsprint manufacturers and by companies making gum for envelopes. Ordinary starch is dutiable at 2 cents per lb. The purpose of the application is to have the dextrine item eliminated and this product made dutiable as a starch. The change would involve an increase in tariff on dextrine of not less than 50 per cent.

The application was vigorously opposed by the textile companies, the gum makers, the Canadian Manufacturers' Association and by one large Dutch company which does a substantial export business with Canada. The main argument of the opponents was that the proposed change, if made, would leave the users of dextrine in the hands of one company. The Dutch representative argued that to cut off imports from that country would be most unfriendly and calculated to result in Canada losing some of her present export trade.

* * *

No Decision Reached

THE board did not come to a decision but will doubtlessly make a recommendation to the Minister of Finance in time for action to be taken in the next budget. The probabilities are the board will not commend the application.

A factor in the situation which escaped attention is the decision of potato growers, through the proposed Potato Marketing Board, to seek an outlet for surplus stocks by manufacturing dextrine. This product can be made out of potatoes.

The application of the C.M.A. for higher duties against hoods and shapes imported from Italy and other non-British countries met with opposition from the finishing industry. The tariff on hoods and shapes is 22 per cent, 30 per cent and 35 per cent and prior to the last budget there used to be a dump of $1.50 per dozen. This dump was a straight increase in the dutiable value. In the last budget the dump was cancelled and a specific duty of $1 per dozen put on instead. The manufacturers of hoods and shapes desire the $1.50 rate back again. The finishing industry is satisfied with the existing set up and is inclined to believe that Canadian manufacturers are not turning out as good an article as they ought to. The board reserved its decision.

* * *

Fight Price Control

PRICE control applied by provincial governments to primary products is arousing keen antagonism among consumers in various parts of the Dominion and it appears inevitable that constitutional litigation will follow. The Ontario Milk Control legislation, in particular, is likely to go to the courts. In this regard, municipalities and semi-public bodies—such as hospitals—are finding that higher prices decreed by the board, or brought about through its agency, are interfering with existing contracts and, also, are imposing some hardship upon citizens. It is contended that the constitutional right of contract has been invaded and, also, that provincially created control bodies are illegal under the Federal Combines Act.

* * *

Federal Works For Week

AFTER being in the doldrums for two weeks, the Federal public works programme is again being speeded up. Fifty contracts were awarded last week, aggregating $558,624.26. The largest item was $182,000 for new refineries at the Royal Canadian Mint, Ottawa. The Randolph Macdonald Co., Ltd., of Toronto got a dredging contract at Parry Sound, worth $63,000. The next largest item was $55,000 to be added to the expenditure on a Federal building at Guelph, name of contractor not given.

* * *

Millers Need Protection

THE plight of Canadian millers who are finding difficulty in competing with British-made flour is continuing to engage the attention of the government. To date millers, it is believed, have not put in a direct request either for dump duties or higher tariff against British flour. The government could not grant dump duties without amending the Customs Tariff Act, but higher duties could easily be set up in the next budget. That this competition is due, in part, to actual dumping by the British millers is believed uncontrovertible.

The British wheat scheme confers a large bonus, enabling their millers to sell at very low prices. They are now buying British wheat at 21 shillings per 480 lb., while the government pays the growers a bonus of 22 shillings 6 pence. In effect this means that British millers are able to purchase home grown wheat at a price substantially lower than world levels. On the other hand, the Canadian millers are being compelled, through the price pegging operations of the Canadian government, to pay higher than world prices. They are at a disadvantage on both counts. The 21 shilling price works out at about 65 cents per bushel for wheat delivered at British mills. The Fort William price is about 80 cents per bushel, with Canadian millers having to pay the carrying charges to their mills.

* * *

Commissioners and Libel

THE Privy Council in a judgment handed down Nov. 8 has made an important change in the libel law of Canada. Hitherto it has been believed that royal commissioners held a privileged position in this regard—like judges and members of Parliament. They have been held to be exempt from prosecution for libel for anything they might say in carrying out their duties as commissioners. W. F. O'Connor, K.C., of Ottawa challenged this view of the law when he brought libel suit against Gordon Waldron, K.C., for statements made by Waldron when head of a Royal Commission investigating a plumbing combine in Ontario. The Canadan courts found against Mr. O'Connor, but their decisions were reversed by the Privy Council.

Form Aviation Association To Stop Cut-Throat Rates

From Our Own Correspondent

OTTAWA.—Elimination of cut-throat competition in the aviation business is believed the chief purpose behind the organization at Ottawa last week of a Dominion-wide aviation association. The conference was attended by all commercial flying companies as well as by the airplane manufacturers.

In pursuit of two objectives, these interests buried their differences and, by combining, formed a powerful national organization which will exert influence on the future of the air business.

The chief objective was to eliminate cut-throat competition in bidding for air contracts and this, it is said, will be achieved within the next year. As existing contracts fall in and are renewed it will become evident that higher prices must be paid. From the viewpoint of the Dominion government, this move is regarded as highly desirable. The government, in one sense, has profited by the distress bids on airmail contracts but will be glad to pay prices more in line with operation costs.

Department Change Asked

The second purpose in view is to have the Civil Aviation branch removed from the National Defence department and placed, by preference, in a new Communications Department. The delegates to the conference did not mince words in expressing the opinion that the military influence predominates at the present time and that civil aviation is not receiving the attention from the state that its importance warrants.

RECIPROCAL TRADE FOR CANADA - U. S. SCIENTISTS' PLEA

(Continued from page 1)

adians have large investments in America.

"Much of the commerce between the two countries partakes of the nature of border trade. Of most of Canada's principal export products, wheat, lumber, canned salmon, copper, etc., we are also exporters. We are her principal market for newsprint and nickel, and our tourists make large expenditures there. She is an important market for us for fruits, vegetables, canned goods, tinplate, steel, and a large variety of manufactured products. Because she is a surplus producer of many agricultural products that we also produce, we have created high tariffs against most of these: against wheat, meat, animals and their products dairy products, barley, oats, hay and also against lumber, copper, etc. In reprisal she created tariff barriers against our manufactured products. As a result many American concerns felt it necessary to erect branch factories in Canada. This is one of a number of reasons for our heavy investment there. In branch factories it is relatively heavier there than anywhere else.

Matter of Tariffs

"The restriction of trade between Canada and the United States is primarily a matter of tariffs. If there is to be more trade between the United States and Canada it will have to be brought about primarily by reciprocal lowerings of the tariff. But here again we confront the difficulty that most of Canada's export commodities, her wheat, her copper, her lumber, her milk, butter, cheese, her barley, oats, and hay are competitive.

"One might suppose that because both Canada and the United States are on an export basis in regard to wheat, wheat would sell in both countries at the world price despite the American tariff and that therefore Canaadian wheat would not enter the United States. As it happens, however, Canada grows a type of high quality, hard spring wheat of which the United States produces no surplus in most years. If there were no tariff, Canadian wheat would often come into the United States as far as freight rates permitted and force more of the poorer grades of American wheat into export than now. Ultimately, if there were no tariff on Canadian wheat and no special subsidy to spring wheat growers, United States production would probably be radically reduced.

Suggested "Trades"

"There are a considerable number of American products against which Canada, although she needs them, has high tariffs. There are on the other hand few Canadian products that we need that are not already on the free list. In offering concessions to Canada the United States is therefore constrained to choose articles largely for considerations of practical politics. The following are a few suggestions of this sort: Liquors, though these are competitive. A lower tariff on aged whiskies, paradoxical though it seems, might reduce competition for American distillers because there would be much less incentive to smuggling, which is said to be very extensive. Certified seed potatoes, used throughout the Eastern United States and grown in Aroostook County, Maine. The farmers of Aroostook would object, for they alone raise seed potatoes, whereas the remaining farmers of the East, who buy them for propagation purposes only and who are much more numerous, would applaud. Certain alloys of nickel, not produced in the United States, and aluminum, in which Canada leads in our imports. Cereal breakfast foods, biscuits, crackers, and analogous baked goods. Fresh frozen salmon, cod, haddock, hake, mackerel and salted salmon. The imports (duty 2¼ cents a pound) have not been over five per cent of domestic production. Most of these fish are brought in to be canned in the United States; the salted salmon is mild-cured. Fishermen might object but canners and cannery workers would approve. Halibut fresh or frozen are mostly caught in the Bering Sea, where both Americans and Canadians fish. Sawed lumber and timber imports have represented less than five per cent of domestic production. Most of our imports of unexposed films come from Canada and our own production is so tremendous that reduction of this duty could not possibly create domestic difficulties.

"This is not an imposing list but a careful combing of the commerce between the two countries has not revealed any other important concessions the United States might make without arousing serious opposition at home.

"In return Canada could afford to lower her rates on citrus fruits and cease importing from Palestine and South Africa. She might lower the rate on peanuts, which she does not produce, on dried, evaporated, and certain canned fruits, on cottonseed oil, on anthracite coal, on cotton cloth, and certain manufactures of silk. There are a host of products Canada might admit without serious danger to her own young and growing industries. The difficulty is not on the Canadian but on the American side. The prospects that by a reciprocal trade agreement any very large increase of trade between the two countries can be achieved are not good."

A further analysis of Canadian American trade is made by Alvin H. Hansen, professor of economics at the University of Minnesota who acted as director of research for the enquiry committee. He says:

"The broad facts concerning our trade relations with Canada are easily recounted in round numbers. American merchandise exports exceeded imports from Canada by nearly $400,000,000 in 1928. Offsetting this in part was a net tourist expenditure in Canada of nearly $200,000,000.

"The combined trade of farm, forest, and mineral products was nearly in balance, but the exports of metals and manufactures, machinery, vehicles, chemicals and miscellaneous items exceeded imports in the ratio of nearly five to one. Broadly considered our exchange of raw materials with Canada was in substantial balance; and in a rough way we may say that we sold her manufactured goods in exchange for tourist expenditures, with a balance of some $200,000,000, however, on this item in our favor. There was in addition the interest and dividends due us on $4,000,000,000 of American investments in Canada. Normally this amounts to another $200,000,000 in our favor.

"Thus Canada, also as in the case of Europe, has in the past had to balance her account with the United States through triangular trade. The American Tariff Act of 1930, by checking imports from Canada, tended to widen still more the gap in our bilateral accounts. The load on the trangular trade was thereby increased. But Canada closed in large part of this gap by raising her tariff against our products and by establishing closer contacts with the British Empire under the terms of the Ottawa Agreements. Thus by 1933 our excess of exports to Canada had dwindled to a petty $78,000,000 in contrast with $373,000,000 in 1928."

STIMSON HEAD ASKS INVESTORS TO RESTAKE HIM

(Continued from page 1)

require financing ability of a very uncommon order.

It is hard to know what building Mr. Johnston refers to. One might think he meant Grand Central Markets Building on Yonge St. above Bloor St., Toronto, if he did not say the building he had in mind is "one of the best of the Stimson Co. buildings" and if he did not say that this was "the one hope he sees for any of his clients to recover any return from former investment in Stimson's Buildings & Investment Co." He states that "nothing is likely to be paid by the Official Trustee" upon these shares, and adds, "In view of what might have been realized had I been permitted to reorganize my companies, this is a great pity."

Mr. Johnston promises further particulars to those who will tell him whether or not they can assist and to what extent. If he means the marketeria building constructed by Grand Central Markets, the latter company showed a nominal surplus after the debacle. Liabilities were $367,757 but assets of $606,972 included $280,000 debentures of another Stimson Co., National Debenture Co. and cost of buildings. The property was offered for sale but no tenders were received, and they have remained a melancholy and untenanted monument to the promoter. The National Debenture Co. debentures were worth no more than a fraction of their book value. Other buildings owned or put up by Stimson Co. were Commerce & Transportation Building, Toronto, which was taken over by holders of first mortgage, and Marine Building, Vancouver. But Stimson's had no equity in this building when completed.

The best guess is that Mr. Johnston may think the marketeria buildings can be bought for a song, renovated and rented. If successful, he might be able to do some further financing; if unsuccessful, goodbye bonds put up as collateral.

BEAUTY FIRST IN NEW BILLS BEING PRINTED

(Continued from page 1)

In the background are low hills with snow peaked mountains in the distance.

The ten dollar bill is black with purple tinting. On the face is an oval portrait of Princess Mary. On the back is a vignette depicting agriculture—the figure of a woman, holding a sickle in one hand, with sheaves, fruit, vegetables, etc., at her feet.

The twenty dollar bill carries a portrait of little Princess Elizabeth, daughter of the Duke of York. The color has not yet been decided, nor has the vignette for the back been finally approved. The fifty dollar bill will carry a portrait of the Duke of York and the hundred dollar bill a portrait of the Duke of Gloucester. In both cases coloring and back design are still in doubt.

The $500 bill carries the portrait of Sir John A. Macdonald and on the back a vignette depicting Ceres the goddess of agriculture.

The $1,000 note carries a portrait of Sir Wilfrid Laurier and on the back a vignette depicting—"Protection." This is one of the most beautiful figures to appear on the new currency. A mother, carrying a circular shield on her left arm, helmetted and with a sharp Roman sword in her right hand, is sheltering an infant boy between shield and breast.

The $50,000 note, hitherto issued by the Dominion, will be suppressed. The Bank of Canada will not issue notes above $1,000. The explanation is that the larger notes were used entirely by the banks for settling balances as between themselves. Hereafter they will carry their reserves with the Bank of Canada and settlements will take place at Ottawa without need of exchanging bills of very large denominations.

CENTRAL BANK RACERS SCORN CO-OPERATION

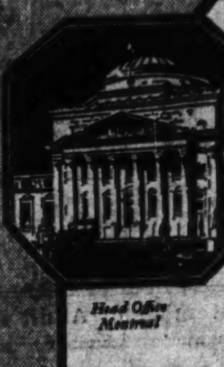
(Continued from page 1)

rumor, it is considered that the interest that is being shown indicates that a large and representative list of nominations will be made. Given a variety of responsible persons to choose from, there is some feeling that the shareholders will be fully capable of selecting a good board.

Names of Quebec and maritimes candidates for the board have had little mention. There are indications, however, that the eastern provinces, where the central bank was little wanted, will have several candidates in the field.

The Chamber of Commerce has warned shareholders of western Canada and the maritimes that they may have little chance of electing directors if their nominations are numerous. It does not appear that much attention is being paid to this warning. Nevertheless, it has become generally recognized that well-known Ontario candidates will have the best chance of being elected since over 45 per cent of the shares are held in the centre province.

Meanwhile transactions in the shares of the bank have been facilitated by announcement from Ottawa that new certificates will be issued for 50 cents each. Transfer of shares is being effected only at Ottawa.



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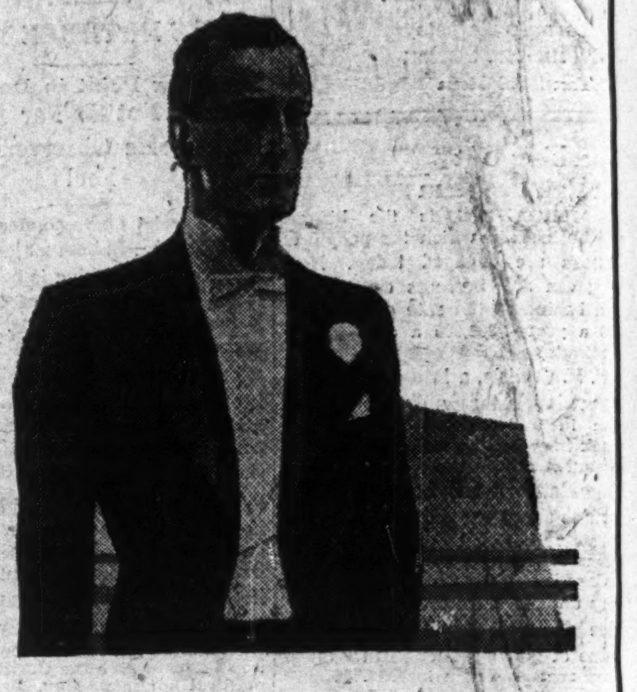

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Dress Coats	$60.00 and	$65.00
Dinner Jackets	50.00 and	55.00
Trousers	17.00 and	20.00
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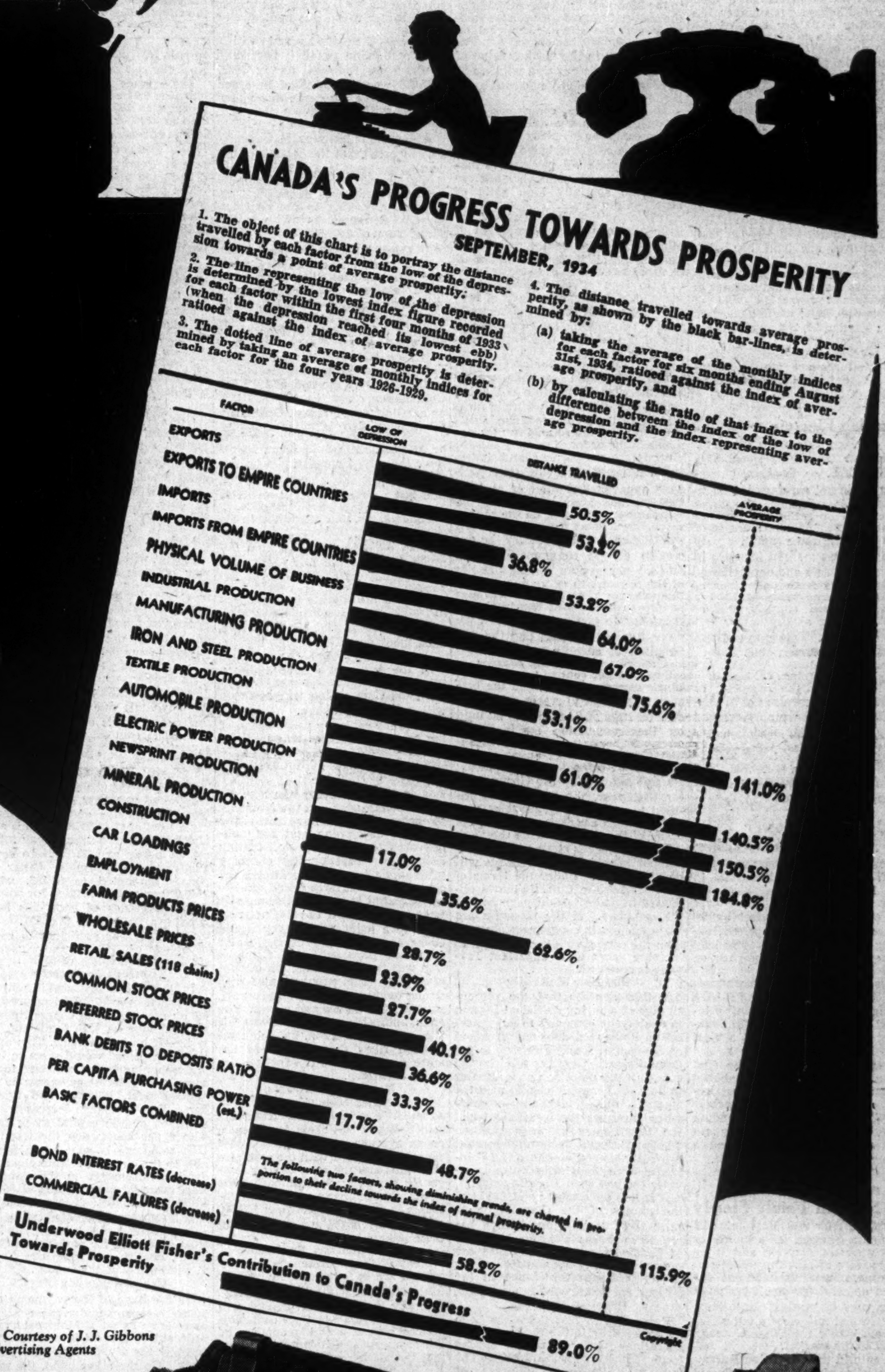

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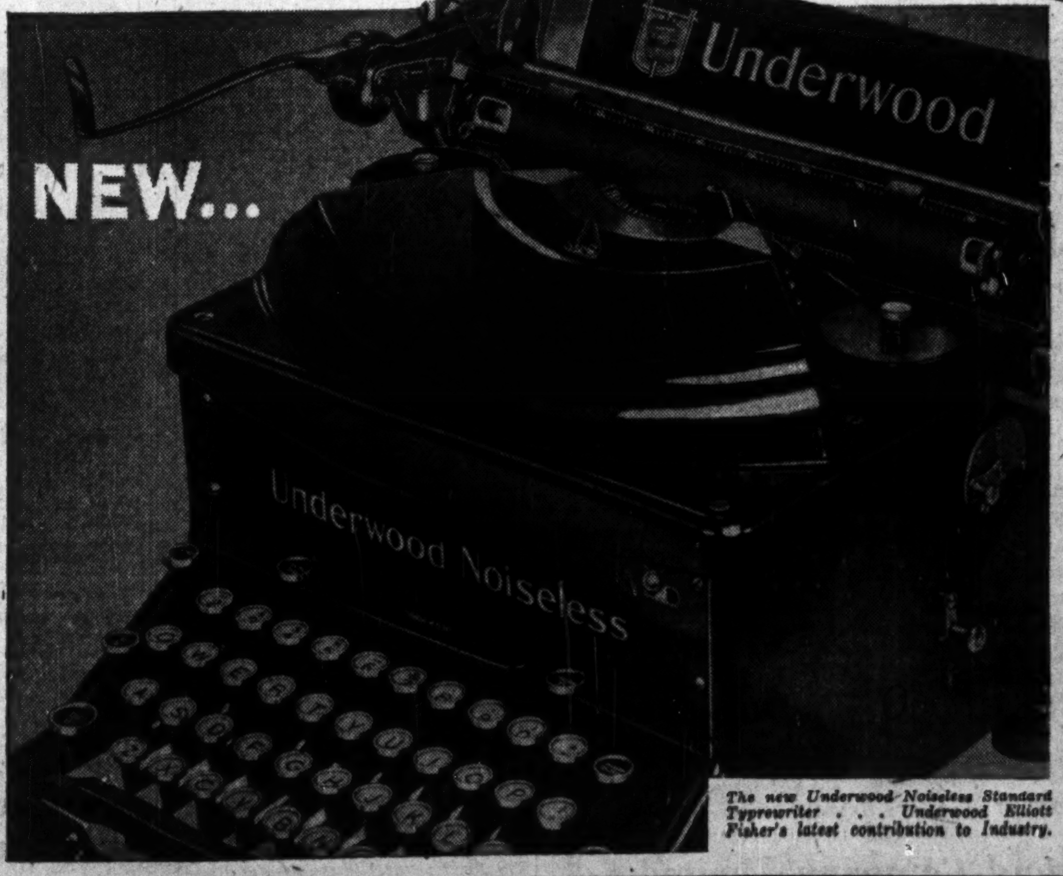

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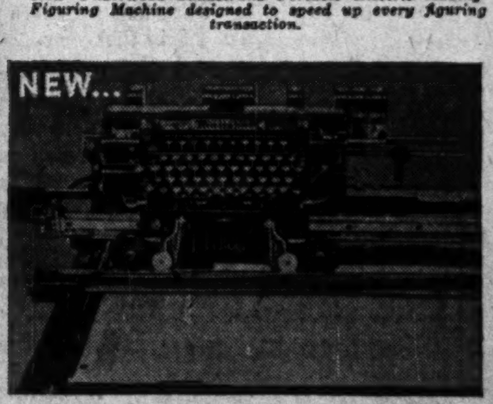

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LARGE INTEREST MONTREAL POWER HELD BY WOMEN

Survey of Share Holdings Shows Individuals in Control

From Our Own Correspondent

MONTREAL. — Stock control of Montreal Light, Heat and Power is held by individuals owning 54.2 per cent of the outstanding capital stock. In an analysis prepared by the company it is shown that of the individuals, men number 15,702, holding 31.8 per cent of the stock, with an average holding of 90.7 shares. There are 13,465 women shareholders, holding 22.4 per cent of shares, with an average holding of 74.5 shares.

Approximately double the number of debentures are held by men as compared with women, with over 60 per cent held by individuals. Men owning the debentures number 16,440, holding 44.65 per cent of the total issued, with an average holding to the value of $713. There are 8,637 women holding 15.36 per cent of the debentures, with an average holding to the value of $466.

Corporations Own Quarter

Insurance companies, institutions, trust companies, corporations, etc., hold an additional 24.8 per cent of the company's stock and 34.08 per cent of the debentures.

Estates are responsible for 10.3 per cent of shares and 1.54 per cent of debentures; while the balance of 10.7 per cent of shares and 4.37 per cent of debentures are held by banks and brokers.

The survey conducted by the company shows that the total number of shareholders at present is 31,142 as of September 30, 1934; while debenture holders totalled 26, 286 as of June 1, 1934.

The holders of the common stock and debentures are almost exclusively resident in Montreal and the province of Quebec.

Winnipeg Electric Net Income Higher

From Our Own Correspondent

MONTREAL. — Continued improvement in net earnings is reported by Winnipeg Electric Co. Gross income from operations in October amounted to $438,436, an increase of $16,420 over the same month a year ago. There was a slight increase in operating expenses and depreciation, but net income from operations at $127,265 compared with $113,108 a year ago. Fixed charges totalled $108,907, leaving a surplus for last month of $18,358. This is in contrast with $6,328 in October, 1933.

Cumulative returns for the ten months ended October, 1934, show a gross income for the company of $4,281,196 and net earnings of $1,122,696. Fixed charges were covered by a margin of $19,182. For the corresponding period of the previous year, gross revenue totalled $4,219,888 and net earnings $1,040,039. The latter figure was $78,606 short of covering fixed charges.

East Kootenay Power Net Lower in October

From Our Own Correspondent

MONTREAL.—A small increase in gross income of East Kootenay Power Co., controlled by Power Corp. of Canada, was offset by an increase in operating expenses, according to an interim financial statement issued by the company on its October returns.

Gross receipts last month amounted to $33,924, compared with $33,160 a year ago. Operating expenses increased from $10,615, to $12,982, leaving net income at $20,942, as against $22,545 in October, 1933.

Cumulative returns for the first seven months of 1934 show that East Kootenay Power had a gross revenue of $242,547, and a net income of $463,471. For the corresponding months of 1933, the company reported a gross of $234,966, and a net operating income of $158,799.

Iron and Steel Prices Remain Fairly Steady

Canadian iron and steel markets last month moved in a more or less featureless manner and price changes were small. The volume of new orders was limited but increased demand for small tonnages on the part of mining, lumbering, hardware and automobile industries and from repair trades gave steady support to the market.

The gain in the Dominion Bureau of Statistics index of wholesale prices of iron and its products resulted chiefly from higher prices for galvanized steel sheets, range boilers, steel tank plates and light, cold-rolled steel sheets. No change in the price of pig iron was recorded.

Montreal Tramways Securities Weaken As Revenue In Doubt

Ability of Commission to Meet Contract Charges Questioned as Income Declines Materially

RESERVE FUNDS ARE EXHAUSTED

Fare Increase Unlikely in Present Circumstances — Economy Moves Are Limited by Opposition to One-man Cars — Shortage of Revenue Seen for 1934

From Our Own Correspondent

MONTREAL.—Questioning of the ability of the Montreal Tramways Commission to pay the amount due to the Montreal Tramways Co. under the contract entered between the company and the city of Montreal on January 28, 1918, has caused a marked weakness in the market value of the company's securities, which, until of late were highly regarded as an investment media.

At present the company's first mortgage bonds are selling a point or two under par. The 5 and 4½ per cent general mortgage bonds are selling to yield 7¼ per cent to maturity, while the common stock returns the specially high yield of nearly 11 per cent.

This condition has attracted no little attention for the securities of other utilities are selling on a much more favorable basis. The weakness in Tramway bonds and stocks is not due to lack of confidence in the management, but to the lack of revenue which will permit the Commission to continue making payment in full of the amounts due to the company under contract.

Terms of Contract

The contract between the company and the city imposes the obligation on the Commission to maintain fares which will provide revenue sufficient to meet the following requirements in the order of priority shown: all operating expenses and taxes; funds sufficient to create a maintenance and renewal fund of at least $500,000; and annual return to the company of 6 per cent on the capital value, as well as 6 per cent on all working capital required for the operation of the company and also $181,431 per annum during the life of the contract to cover expenses of financing; a rental of $500,000 per annum to the city of Montreal; the obligation to create a contingent reserve fund of $500,000; and the distribution of surplus earnings, over and above the foregoing charges, as follows: 20 per cent to the company, 30 per cent to the city, and the balance to be used to create a tolls reduction fund of $2,500,000 to be used by the commission for reducing fares. The contract also provides that if the operating expenses and taxes of the company are within the amount allowed by the Commission for that year, the company is entitled to an operating profit of one-eighth of one per cent of the average value of the capital during the year.

This contract is clear cut as to the manner in which gross receipts will be distributed. Under the terms of the contract the Commission is obligated to make certain payments to the company. If the revenues are not sufficient to cover these charges, then the commission has the right to increase fares until sufficient revenue is received.

Question of Ability

It thus appears that the responsibility of assuring sufficient income to enable the company to pay interest on its bonded debt and dividend on its capital stock is shifted to the Commission. Legally this is the case, but the point has now risen as to how the company can be paid the amounts due under the contract when revenues are insufficient and the Commission is in a position where it would have the greatest difficulty in enforcing a fare increase, even though the contract provides for just such a contingency.

It is this uncertainty and doubt of the ability of the Commission to raise fares at this time, which has caused weakness in the market value of Tramway securities. There are several factors in the situation which do not enhance confidence in the outlook for Montreal Tramways Co.

Draw on Reserves

From 1929 to 1933 there has been a marked drop in the revenues from operations under contract, falling from $15,669,912 to $12,873,020. The latter figure, however, does not tell the full story, for it was necessary for the Commission to appropriate $574,502 from reserves in order to take care of charges. If this sum had not been appropriated, the Commission would not have been able to pay the rental of $500,000 owing to the city and would have been $74,502 short of the allowances due to the company under contract and which ranks senior to the payment due to the city.

This was the second year in which the Commission found it necessary to draw on reserves, for in 1932, $737,070 was appropriated in order to balance the payments due under contract with receipts.

Build up Reserve

At the end of last year the Commission reported that the balance in the contingent reserve and tolls reduction fund was only $366,893. The tolls reduction fund was depleted. This balance, according to the contract, must be increased forthwith to the stated sum of $500,000.

Current Situation Gloomy

What has happened? In May it was officially reported that reserves of the Commission had been exhausted with the exception of $66,893, while the operating deficit for the first quarter of the year amounted to $205,930.

The sharp decline in reserves may be accounted by the payments due to the city. At the end of 1933 the Commission owed the city $250,000, or one-half year's rental. Ordinarily the Commission is never more in arrears than one quarterly payment, or $125,000. It would seem, therefore, that the Commission was unable to meet this charge as it fell due last year and carried an extra quarterly payment over into 1934.

The fact, too, that operations in the first quarter of 1934 resulted in a deficit of $205,930, does not hold out much hope for the full year's revenues being sufficient to cover expenditures. There is reported to have been a moderate improvement in traffic, but it is considered doubtful if the Commission can make both ends meet for 1934.

Difficult Problem Ahead

In the event of anything like a substantial deficit for the current year, the Commission will be faced with a difficult problem. While payment to the company ranks ahead of the rental to the city, it is unlikely that the latter will be willing to forego this income in view of its present state of finances.

Adopt Economy Plans

The Commission and the Tramway company officials have seen the situation developing and have endeavored to counter it by adopting economies. Part of the economy programme has been to inform the city council that fares would have to be increased in the event economies were not sufficient to raise net revenue to a point where they would cover charges. One of the major economies proposed by the Commission was the wider adoption of one-man cars. This proposal met with strong opposition in the city council, among labor unions and others. The civic authorities do not favor this type of transportation, but the commission finds it necessary to use more one-man cars if expenses are to be cut down.

No Cut-rate Tickets

Many minor economies have been adopted. Formerly the tramways sold books of 50 tickets for $3 each, or an average cost per ticket of 6 cents as compared with the cash fare of 7 cents and the strip of four tickets for 25 cents. By eliminating the books, the company expects an increase in revenue of between $40,000 and $50,000, based on the sales of these tickets in 1933.

Want Contract Revised

Some of the aldermen on the city council are in favor of a revision of the contract with the company, whereby the return on capital will be reduced from 6 to 4 per cent. This plan, of course, would be opposed by the company and it is not expected that the matter will get very far.

Trend of Economies

The steps taken by the tramway officials to meet the decline in traffic have been many and varied. On the whole progress has been made. Last year the number of passengers carried on the tramways was 176,342,540—or less than in any other year since the contract was made in 1918.

The average fare per passenger in 1933 was 6.04 cents, or equal to that reported in 1932 and .01 cents more than in 1931 or 1930.

The operating ratio in 1933 was 70.32. This is the lowest reported in several years and compares with 73.50 in the previous year.

The average speed of all cars has been stepped up from 9.18 miles per hour in 1930 to 9.96 miles per hour in 1933. Further increase is expected for this year.

The number of car hours reported in the uniform territory last year was 2,484,585, or about 16 per cent less than in 1930.

Car miles of motored units in the uniform fare territory last year was 23,903,695. There has been a steady drop in the number of car miles in the last four years. The number of trailer car miles in the same territory has been cut almost in half.

Passenger Receipts Up

Gross receipts per revenue passenger in 1933 was 6.27 cents, the highest reported since the contract came into force. Expenses per revenue passenger were reduced to 4.41 cents, a figure which has been bettered only in four other years. Net earning per revenue passenger at 1.86 cents, however, was the best on record.

Thus it will be seen that the tramway officials have made extensive reductions in their operations to meet the decline in traffic. At the same time the revenue in relation to the volume of traffic has increased, but still not sufficient to meet payments due under the contract.

Company is Concerned

As already mentioned the problem of securing sufficient funds to meet the payments due to the company under contract is one for the Commission to contend with, but, at the same time, the company is undoubtedly concerned with the situation.

Last year Montreal Tramways Co. reported an income from the Commission of $3,359,822 and a revenue from investments of $104,092, making a total of $3,463,878. Of this sum $2,426,878 was required to pay interest on bonds and $273,364 to cover exchange on U.S. funds. Other expenses amounted to $6,158, while $140,000 was appropriated for adjustment in values of securities held, leaving a balance of $617,517.

This sum was sufficient to cover dividends of $612,500 on the capital stock and a balance of $5,017.

Cushion in Reserve

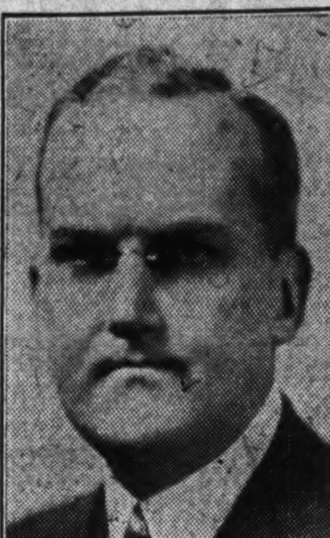
In the above charges it will be noted that over $400,000 is represented by non-recurring charges, namely, exchange on U.S. funds and the write-off on investments. This additional "cushion" would seem to be a strengthening factor in regard to the security of interest payments on the funded debt, but for two things. First the company increased the dividend on the capital stock from 8 to 9 per cent when the trend of U.S. exchange became more favorable to the company. Thus the dividend requirements on the common stock were advanced from $560,000 to $630,000 annually. There is still a small expense connected with the payment of bond interest, as the trust deeds call for payment in Canadian, English and American funds, at the option of the holder.

Can Commission Pay?

On the basis of the payments due to the company under the contract, there is no doubt of Montreal Tramways ability to meet interest charges and pay the dividend on the capital stock. On the other hand, the market is definitely sceptical of the ability of the Commission to meet its obligations. If the deficit experienced in the first quarter of 1934 continues throughout the balance of the year, it may be that the Commission will be a long way short of being able to meet the payments due to the company, let alone the $500,000 rental owing to the city.

There is reasonable ground for the belief that with the reserves exhausted, or practically so, the city rental is endangered, while the amounts due to the company may not be forthcoming in full.

Moves to Toronto



J. D. McTAGGART

Who has moved to Toronto to be resident partner of McTaggart, Hannaford, Birks & Gordon, Montreal investment dealers, following establishment of an office of the firm in the Ontario capital. J. W. Grant will be in charge of the Toronto office.

B.C. Reserves Fraser for Future Power Works

From Our Own Correspondent

VANCOUVER.—As a preliminary to possible development of hydro-electric power on the Fraser River, the British Columbia government has placed a reserve on unrecorded water between Quesnel and Lytton.

Location of dam sites in the Lillooet district which could develop a total of 1,750,000 horsepower was reported by provincial government engineers recently. Development of this power, of course, is not likely to take place for a good many years.

Several other hydro projects are being held in abeyance at the present time and will probably be revived as soon as improvement in industrial conditions warrants. Two of these projects are on Vancouver Island, one on the Nimpkish River where plans for a pulp mill were advanced several years ago, and another on Campbell River, where B.C. Power Corporation contemplated extensive development to serve a newsprint mill for Pacific Mills, Ltd., and electric requirements at the north end of Vancouver Island.

CENTRAL STATION ELECTRIC OUTPUT GAINS IN OCTOBER

Greater Use of Electric Boilers Contributes to Increase

From Our Own Correspondent

MONTREAL. — Central Electric Stations in Canada to continue to set the pace for other industries. During October output amounted to 1,853,388,000 kw.h., or a daily average of 59,787,000 kw.h., according to a report of the Bureau of Statistics. This was an increase over the September average of 10.2 per cent, and over the October, 1933, average of 14.6 per cent.

Output less exports to the United States and deliveries to electric boilers also showed an increase from 1,192,695,000 kw.h. in September to 1,312,982,000 kw.h. in October and established a new high record. The previous high was for January, 1930.

Consumption of electricity last October totalled 1,746,267,000 kw.h. This was in contrast to 1,520,175,000 kw.h. in September, 1934, and 1,490,365,000 kw.h. in October a year ago.

Quebec in Lead

Consumption in Quebec jumped from 646,469,000 kw.h. in September to 777,796,000 kw.h., or 20.3 per cent. Over 42 per cent of this power was delivered to electric boilers, the increase representing the greater activity in the newsprint industry. The Maritime Provinces' consumption increased 15.2 per cent, Ontario's by 12.2 per cent, the Prairie Provinces' by 11.7 per cent, and British Columbia by 1.8 per cent. The extra day in October as compared with September would mean an increase of about 3.3 per cent, so that all areas with the exception of British Columbia registered an increase in consumption on a comparative basis.

Deliveries to electric boilers amounted to 433,285,000 kw.h. This total has been exceeded only twice, in April and May this year, and was 49 per cent greater than the October, 1933, total.

Exports to the United States increased from 107,114,000 kw.h. in September to 107,122,000 kw.h., but the daily average declined 3.2 per cent, and was 15.8 per cent below the October 1933 average.

Public Utility Earnings

East Kootenay Power

	1934	1933	Increase
October:	$	$	$
Gross income ...	33,924	33,160	764
Oper. expense ..	12,982	10,615	2,367
Net income	20,942	22,545	*1,603
Seven months:			
Gross income ..	242,547	234,996	7,551
Oper. expense ..	79,076	76,197	2,879
Net income	163,471	158,799	4,672

*Decrease.

Mexico Tramways

	1934	1933	Decrease
October:	$	$	$
Gross earn. ...	213,194	214,107	913
Oper. exp. & deprec.	264,487	286,314	21,827
Net earn.	*51,293	*72,207	*20,914
Gross from Jan. 1	2,076,176	2,297,066	220,890
Net from Jan. 1	*566,122	*754,100	*187,978

*Deficit.

Winnipeg Electric

	1934	1933	Increase
October:	$	$	$
Gross earn. ...	438,436	422,015	16,420
†Oper. exp.	311,170	308,907	2,263
‡Net earn.	127,265	113,108	14,157
Fixed chgs. ...	108,907	106,779	2,127
Net income ...	18,358	6,328	12,030
Ten Months:			
Gross earn. ...	4,281,196	4,219,888	61,308
†Oper. exp. ...	3,158,499	3,179,848	*21,348
‡Net earn.	1,122,696	1,040,039	82,656
Fixed chgs. ..,	1,103,513	1,118,646	*15,133
Net income	19,182	■78,606	97,789

*Decrease. ■Deficit. †Including depreciation. ‡From operation.

Cons. Diversified Securities Position Held This Year

From Our Own Correspondent

MONTREAL. — Consolidated Diversified Standard Securities, representing the consolidation of the Diversified Standard Securities group of investment trusts, has made satisfactory progress during the current year. The financial statement for 1934 is expected to show income on about the same basis as in 1933, when earned income was equal to 59 cents a share on the preferred stock. The balance sheet, which showed an equity of $23.85 back of each preferred share at the end of 1933, will show some improvement.

At present the company is paying a semi-annual dividend of 25 cents a share on the preferred stock. This rate is being earned.

McKenna Elected Member Montreal Stock Exchanges

From Our Own Correspondent

MONTREAL.—J. E. McKenna has been elected a member of the Montreal Stock Exchange and the Montreal Curb Market. He will represent the firm of Yates & Co. of which he will become a partner. Col. McKenna, who at one time commanded the Royal Montreal Regiment, has been connected with the financial district of Montreal for many years, having joined the firm of Redpath & Co. in 1909.

B.C. Sodium Carbonate

Sales of sodium carbonate (natural) produced from Canadian deposits were confined to British Columbia in 1933, according to federal report, and amounted to 559 tons, valued at $5,773, compared with 495 tons valued at $5,450 in 1932.

A VALUABLE UNLIMITED PARTICIPATING FEATURE

After equal dividends have been paid on the Preferred and Common shares of International Bronze Powders Limited in any one year, both classes of stock participate share for share in any further distribution of dividends in that year.

Current earnings are at the rate of $300,000 per year. Regular dividends on the Preferred Stock, which is the senior security, amount to $112,500 per year; equal dividends on the Common would require the same disbursement. Thus current earnings are at the rate of over 2½ times Preferred dividend requirements, and equivalent to approximately $2.00 per share on both classes of stock.

Preferred Dividends Payable Fifteenth Days of January, April, July, October.

INTERNATIONAL BRONZE POWDERS LIMITED
6% Cumulative Participating Preferred Stock
(Non-Callable)
Price: $23.00 per share to yield 6.52%

NESBITT, THOMSON *and* Company Limited
355 ST. JAMES STREET WEST, MONTREAL, QUE.
Branches in all the principal cities of Canada
192

A Trustee Investment

New Brunswick 4% Bonds

New Brunswick is the largest of the Maritime Provinces. Development of natural resources, consisting principally of forests, farm lands and water power, has been aided by adequate transportation facilities. The Port of Saint John enjoys year round importance in the foreign trade of Canada.

Province of New Brunswick, 4% Bonds, due September 1st, 1954, offer a trustee investment, combining an interest return of 3.93% with sound security.

Price: 101 and interest, yielding 3.93%

Enquire by telephone or mail.

Wood, Gundy & Company Limited
Toronto, Montreal, Winnipeg — 36 King Street West, Toronto, Phone: Elgin 4321 — Vancouver, New York, London, Eng.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning and operating mills at
Beaupré, Que. — Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. — Iroquois Falls, Ont.
Espanola, Ont. — Smooth Rock Falls, Ont.
Pine Falls, Man. — Fort William, Ont.

Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Now Available for Every Home

G-E AIR CONDITIONING FOR WINTER

PRICED AS LOW AS $195.00
Complete with Automatic Control
* PLUS INSTALLATION

Complete! Simple! Inexpensive!

* *The average installation cost in a medium sized home is less than $95.00.*

NO LONGER need you endure dry, stifling heat in your home. No longer need you and your family be exposed to germ-laden air that causes colds and other seasonal ills.

CLEAN, WASHED AIR WINTER AND SUMMER

Now you can enjoy the many advantages of G-E winter Air Conditioning. The dry stagnant air of the heated home is scientifically cleaned, humidified and circulated. Moreover, the circulation system provides cooler air in the summer months.

General Electric Air Conditioning system is simple and economical. It provides complete winter air conditioning for the ground floor living quarters, and proper humidity throughout the home. It is easily and quickly installed, and operates automatically. It is decidedly economical —consuming less power than a 50-watt lamp.

Right now is the best time to investigate General Electric Air Conditioning. Why go through another winter of desert dryness and stale air when your home can be as comfortable as Florida outdoors! Mailing the coupon below will bring you complete information.

GENERAL ELECTRIC
AIR CONDITIONING

● A complete line of G-E Heating and Air Conditioning Equipment available on G-E Finance Plan.

CANADIAN GENERAL ELECTRIC CO. LIMITED

CANADIAN GENERAL ELECTRIC CO. LIMITED, AIR CONDITIONING DEPARTMENT, TORONTO. P-24F

I am interested in receiving further information about General Electric winter Air Conditioning, without obligation on my part.

Name..........
Street Address..........
City..........

News of Investment Markets

WESTERN BONDS SHARPLY HIGHER; BIG BLOCK SOLD

Gilt-edged Issues Reach Peak For Year; Industrials Hesitant

Western provincial issues featured Canadian bond prices in the week ended Nov. 27 with gains ranging up to two points.

Gilt-edged bonds moved higher but corporation bonds showed an indeterminate list of small gains and losses. New financing was notable for its absence.

The sharp advance in western bonds resulted in completion of sale of the remaining $2,000,000 of the $5,000,000 of Saskatchewan 4's offered last September. Saskatchewan bonds, however, have gained less than other western provincials, as shown below:

Western Provincial Bonds
Bid Prices

	Nov. 26	Nov. 19	Aug. 31
Alta. 6's, '47 ...	108¼	106	103¼
B. C. 6's, '47 ..	104¼	103¼	101¼
Man. 6's, '47 ...	108¼	107	104¼
Sask. 6's, '52 .	104	103¼	101

Confidence Reviving

On the basis of these prices, markets rate the credit of Alberta and Manitoba above that of British Columbia and Saskatchewan. Confidence in the western bonds is reviving.

The upward movement of gilt-edged bonds carried them to the best levels of the year. The trend is shown:

Average Yield and Price for Seven High Grade Canadian Bonds

1934	Yield %	Price $	1933	Yield %	Price $
Nov. 27	3.687	111.62	Nov. 27	4.543	102.46
Nov. 26	3.690	111.59	Nov. 25	4.557	102.29
Nov. 24	3.696	111.54	Nov. 24	4.573	102.18
Nov. 23	3.696	111.54	Nov. 23	4.661	100.89
Nov. 22	3.699	111.48	Nov. 22	4.666	100.79
Nov. 21	3.700	111.46	Nov. 21	4.641	101.03
Nov. 20	3.704	111.43	Nov. 20	4.623	101.18
Nov. 15	3.691	111.61	Nov. 15	4.441	103.57
Nov. 1	3.807	110.30	Nov. 1	4.422	103.70

Gypsum, Lime Report May Show Small Gains

From Our Own Correspondent

MONTREAL. — An unconfirmed report is to the effect that Gypsum, Lime and Alabastine, Canada, financial statement for the year ended November 30, 1934, is not expected to be as good as earlier reported. Earlier in the year it was stated that business of the company had undergone an improvement, earnings were better, and bank loans reduced. This improvement is understood not to have been maintained during the balance of the year, and the report is expected to show only slightly better results than in 1933.

The last report issued by the company, covering the 11 months ended November, 1933, showed a net deficit of $111,319 after all deductions. Working capital at that time amounted to $543,294 and bank loans $106,207.

Empire Natural Gas Declares Dividend

Empire Natural Gas Ltd., has announced the declaration of an interim dividend of one-half cent per share payable Jan. 2, 1935, to shareholders of record Dec. 20, 1934. This is the company's initial dividend.

The company reports an open flow capacity of 2,000,000 cubic ft. daily from its twelve wells in Haldimand county. Recently the company acquired 200 acres of gas land in Norfolk county.

Empire has entered into a new contract with Dominion Natural Gas Co., according to Douglas Bank, president. The latter company has undertaken to purchase all of Empire's Norfolk production at 50 cents per thousand cubic feet.

$1,200,000 in Default of Edmonton Holdings

Slightly over $1,200,000 of the bonds held in the Edmonton sinking fund are in default, according to a recent statement by Frank Barnhouse, city treasurer. Last year the sinking fund totalled slightly less than $9,600,000.

Mr. Barnhouse explained that some small municipalities are habitual technical defaulters, but that they continued to make delayed payments of interest and principal. He disclosed, however, that he has little hope of receiving interest on the major defaults this year.

Harding Carpets to Apply Toronto Exchange Listing

Harding Carpets will apply for listing on the Toronto Stock Exchange as soon as the new certificates, now being printed, have been distributed.

Under the agreement approved some time ago preferred shareholders are to receive 20 shares of new common for each preferred and arrears of dividends. The old common is being exchanged for new on a share for share basis.

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Northern Elec.	5%	1939	Dec. 1	105
Riordon Pulp†	6%	1942	Dec. 31	105
Metropolitan Bldg.	7%	1944	Jan. 15	103½
Rio de Janeiro Trams, 1st mtg.	5%	1935	Jan. 1	...
Harris Abattoir	6%	1947	Jan. 1	103
Dom. Textile	6%	1949	Mar. 1	105
Consumers' Glass	†5%	1948	Dec. 1	...

Purchase of bonds for sinking fund: ‡ $74,600. * $27,000. †$50,000.

Bond Tenders

5 p.m., Dec. 3, St. Catharines—$90,000. 4 per cent serial debentures as follows: $65,000, for relief, maturing 1 to 5 years; $11,000, for trunk sewers, maturing 1 to 11 years; $14,000, installment debentures for fire truck, maturing 1 to 5 years. Stuart K. Watt, commissioner of finance. (See announcement on page 14).

Dec. 3, Village of Pointe-Gatineau, Que.—32 bonds of $500 each, all redeemable July 1, 1944, 6 per cent, dated Oct. 1, 1934. Yves Fortin, sec.-treas.

5 p.m., Dec. 5, Riviere-Du-Loup, Que.—$112,000, 5 per cent bonds dated Nov. 1, 1934, redeemable serially to Nov. 1, 1944. J. Lebel, sec.-treas.

8 p.m., Dec. 11, Victoriaville, Que. — $48,000, 4½ per cent bonds, dated Nov. 1, 1934, redeemable serially from Nov. 1, 1935, to Nov. 1, 1954. W. Fortier, sec.-treas.

Investment Notes

Significant Investors' Index Numbers

1926 — 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities:	17	6	4	4	10	18	8	87	20	113
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	23.7	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	83.8
February	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	58.0	88.7
March	113.6	13.2	77.1	152.2	76.3	129.4	141.8	128.5	58.0	90.3
April	114.9	13.2	75.2	159.4	76.8	134.3	138.0	133.0	58.1	93.4
May	106.9	13.8	74.3	159.0	79.1	129.9	113.8	128.0	56.7	91.1
June	104.7	12.5	74.1	161.9	77.7	128.1	113.5	126.1	54.5	89.8
July	97.8	10.5	72.4	153.8	72.7	123.3	86.7	116.6	50.6	83.1
August	100.7	9.9	73.2	158.0	73.1	125.5	91.3	120.1	51.2	85.9
September ...	98.8	9.6	72.6	160.2	71.9	123.4	93.8	118.8	50.1	85.7
October	107.7	9.8	68.4	169.0	74.4	126.6	89.2	122.0	49.0	87.1
Weekly Figures, 1934:										
November 1 .	105.4	9.0	66.0	171.0	73.0	130.8	101.8	121.9	47.9	90.2
November 8 .	109.0	9.2	63.9	174.3	74.1	131.1	112.4	124.1	47.7	91.9
November 15 .	112.0	10.6	66.7	184.3	74.0	132.8	115.6	128.8	47.0	94.4
November 22	109.7	10.4	68.7	183.1	73.2	132.4	114.2	126.8	45.4	92.1

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Nov. 27	101.24	107.75	78.16
Nov. 26	101.98	108.32	79.15
Nov. 24	101.89	108.65	79.53
Nov. 23	101.81	108.48	78.59
Nov. 22	99.98	109.00	79.03
Nov. 21	99.44	108.49	78.38
Month ago	97.41	115.18	81.30
High, 1934	120.12	135.98	116.57
Low, 1934	86.85	100.90	77.34

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Nov. 27	58.4	56.7	57.3
Nov. 26	58.6	57.1	57.6
Nov. 24	58.6	57.3	57.8
Nov. 23	58.9	57.2	57.8
Nov. 22	58.0	56.8	57.2
Nov. 21	57.6	56.2	56.6
Month ago	60.9	54.6	56.7
High, 1934	72.0	65.2	67.4
Low, 1934	56.4	50.1	53.3

Ford Dividend is 1935 Presage

IN EAST WINDSOR on November 23, directors of Ford Motor Company of Canada declared a dividend of 75 cents on the 1,658,960 outstanding shares of capital stock. This brings dividend distribution in 1934 to $2,073,700, the largest yearly payment since 1930.

Wallace R. Campbell, president, said that continuity of employment had been more satisfactory than at any time since 1930. He still looks for considerably increased business in 1935.

In an earlier statement, Mr. Campbell stated that in the first eight months of this year, business had been up 150 per cent over the same period of 1933. The company is expanding equipment to meet the expected new business.

* * *

Sold 2,802,756 Gallons in Year

IN THE year ended October 31, 1934, Canada and the United States took 2,802,756 proof gallons of spirits from the bonded warehouses of Canada. A great proportion of this went to the United States, which was to all intents and purposes the only nation importing from Canada.

There still remained on October 31, 37,546,756 gallons of spirits in bond in licensed distillers' warehouses in Canada and of this nearly 28,000,000 proof gallons are believed to be available for consumption.

At the annual meeting of Hiram Walker-Gooderham & Worts, it was intimated that that company would send 8,000,000 gallons to the United States. Distillers Corporation-Seagram's Limited is reported to have in Canadian warehouses 10,000,000 gallons of mature American type whisky, rye and bourbon available for export. This statement is contained in an analysis of the company just published by G. W. Nicholson & Co., Toronto.

Canadian Industrial Alcohol is believed to have nearly 8,000,000 gallons available. Brewers and Distillers still have lots on hand for export, but exact gallonage is not known.

* * *

Oil Battle Joined

CANADIAN refiners and distributors of gasoline and other oil products are indirectly concerned to an important extent that battle is now joined on the question of Federal control of crude oil production. Texas oil producers have applied to the United States Supreme Court to support their contention that control by the Federal Oil Administration of petroleum output is unconstitutional.

Most of the leaders in the southwest oil districts have declared for state regulation or interstate compact regulations rather than Federal control. On the other hand, it is claimed that such attempts at regulation in the past have never been entirely satisfactory. They have allowed certain shipments of "hot" oil and these have enabled certain refiners to undercut the major companies. Gasoline prices in the New England states and in some other sections have gone down to uneconomic levels as the major companies are fighting to hold their clients.

One small refiner, the Pan Handle Refining Co., has already reduced its prices 19c. a barrel. Some of the larger companies state that if Federal control is not obtained, the market may be thrown wide open and prices sink for crude petroleum down to one third or one quarter of what they are at present. That did happen in 1933. The Federal action in requiring permits to move oil is reported to have reduced "hot" oil to a trickle, however.

Canadian firms are indirectly concerned and directly concerned as well. Large imports of crude petroleum come from the mid-continent and East Texas districts of the United States. In addition, International Petroleum bases its world prices on mid-continent prices in the United States. British American Oil also has important production in the southern states, and, naturally, change of rates would affect it.

PEMBROKE PLAN FULLY APPROVED SAYS SUPERVISOR

J. H. Schofield Says 4% Best Possible Installment at Present

J. H. Schofield of The Mutual Life Assurance Co. of Canada, one of the supervisors for the defaulting town of Pembroke, Ont., points out in a letter to The Financial Post that the proposal to pay an installment of four per cent interest on the town's debentures for 1934 was authorized by the whole committee and by the Ontario Municipal Board. The Post reported last week that the plan had been termed an "extraordinary proceeding."

Mr. Schofield explains what the supervisors have done as follows:

"When we took over supervision of the town's finances, we felt that to secure an early rehabilitation of the municipality it was advisable to put the town on a cash basis. Over the violent opposition of the town council, resulting in an appeal to the Municipal Board, we raised the tax rate several mills to 55 and in case of separate school supporters to 58 mills. Every economy possible was insisted upon without actually dispensing with essential services and a budget passed which has been closely adhered to throughout the year.

Payment of Interest

"The payment of interest on debentures was entirely contingent upon money received and our decision regarding it was deferred until recently so that the income available could be better determined. When the committee met on November 9, we worked out as accurate an estimate as possible of available resources, estimating these to the end of the year, and it was found that 4 per cent was all that could be paid on interest. This was not made a final payment but is on account and our resolution calls for any money received over and above the amount necessary to pay 4 per cent to be put in a separate bank account in trust for payment of debenture interest. All the members of the committee concurred in that decision and I would therefore like to correct the impression given that the creditors' representatives were outvoted by the three local men. Payment of interest in full could only have been made by borrowing at the bank.

"As to the legality of the procedure, the Municipal Board Act under which the committee functions, section 97 (b), gives full power to expend the revenues of the municipality and would be sufficient warrant for payment of interest on account. However, in case our action in paying 4 per cent only could be interpreted as a variation of the rate of interest payable on the debentures, we applied for the consent of the Municipal Board as provided under section 98 of the Act."

Simcoe County Group to Report on Midland

Council of the county of Simcoe, Ont., guarantor of defaulted bonds of the town of Midland, has deferred definite action to implement its guarantee until January, 1935. A committee of Warden Edward Dutton, County Treasurer D. H. Coleman, and Councillor W. J. Cunningham, reeve of Alliston, has been appointed to "deal with all problems which may arise by reason of the county having guaranteed debentures of any of the local municipalities."

The committee is empowered to investigate the whole matter of the Midland guarantee and default. It is to make a report to the county council in January with recommendations. This follows a suggestion to this effect by H. H. Cummings, deputy minister of municipal affairs for Ontario.

Escoumains Schools Pay Up to June, 1933

School commission of Les Escoumains, Que., has been authorized by the Quebec Municipal Commission to pay coupons on its bonds due June 1, and Dec. 1, 1932, and June 1, 1933.

Creditors holding overdue bonds, which do not carry coupons, are asked to register with Antonio Boulianne, Les Escoumains, so that cheques may be sent covering interest.

Deer Park May Pay Interest By January

Interest due Dec. 1 on Deer Park Manor seven per cent bonds of 1940 will not be met on that date, it is understood.

Funds to meet the June 1, 1934, coupons are expected to be available late in December or early in January, The Financial Post is informed. The June 1, 1934 payment was not met when due. It was defaulted in order to avoid accumulation of large tax arrears.

QUEBEC POWER ENQUIRY BOARD PROBE NEW AREA

Lower St. Lawrence Power Territory Comes Under Discussion

From Our Own Correspondent

MONTREAL.—Quebec's commission of enquiry on the electricity situation in the province devoted its time in the past week to hearing complaints of rate charges and defences of the operators in some of the smaller districts in the province.

At the public hearing in Rimouski, which area is supplied by the Lower St. Lawrence Power Co., it was contended that the rate structure was too high and that the use of electricity was accordingly restricted. It was also said that the present company had paid too much for some of the properties acquired and that the additional cost had to be borne by the users.

Problems to Face

In defending the position of the Lower St. Lawrence Power Co., J. A. Brillant, vice-president and general manager, stated that the power development costs of the company were as low as in any part of the province. Further the company had the lowest rate for street lighting in the province, being $12 per 100 watt lamp. Despite this rate some of the municipalities had abandoned street lighting.

In order to illustrate the smallness of the revenue received by the company, Mr. Brillant stated that in the category of customers who did not pay more than the minimum rates more than 55 per cent did not use the amount of electricity to which they were entitled by payment of the minimum rate. The rate of 10 cents on the initial load seemed high, he said, but there were alternative rates for greater consumption.

If a customer in Rimouski used 10 kilowatt hours the cost was only 4.6 cents per hour; if he used 300 kilowatt hours it was only 2.8 cents. For the whole system of the company the average per kilowatt hour rate in 1929 was 4.41 cents, in 1930 it was 3.81 cents, in 1931 it was 3.16 cents, and in 1932 it was 2.9 cents.

In regard to the farm service, the company pointed out that whereas Ontario Hydro boasted it gave service where there were three customers per mile, the lower St. Lawrence Power was giving service to 2.7 farmers per mile of line. Along the company's lines were 826 farms and 499 took the service and 377 refused it.

MORE PRODUCERS SUPPORT ADVANCE NEWSPRINT PRICE

A.N.P.A. Newsprint Committee Continue to Oppose Advance

From Our Own Correspondent

MONTREAL. — Developments in the newsprint situation over the past week were featured by the announcement of the Great Northern Paper Co., one of the largest producers in the United States, that it would increase the price of newsprint paper to $2.50 a ton for the first half of 1935 as previously announced by International Paper Co. No reference is made to prices in the last half of the year.

Several other operators have taken action in supporting the price increase, including Spruce Falls Power and Paper Co., Minnesota and Ontario Paper and Anglo-Canadian Pulp and Paper Mills. The latter's statement was not as definite as the others, in that the company said that on every contract which it has made or may make during 1934 and on any renewals of existing contracts expiring at the end of 1934, it would conform to the prices of the leading Canadian mills. Inasmuch as Anglo-Canadian sells the greater part of its output on a long term contract to Hearst, it is not expected that this company will be able to increase its price except on the basis outlined.

A. N. P. A. Discuss Price

Meanwhile the American Newspaper Publishers Association is closely following developments. It is asserted in a bulletin that in view of the fact that some of the newsprint companies supplied material tonnage during 1934 at less than the basic price, publishers have the right to assume that the price announcements are not to be read as indicating that the increase starts from the basic price.

Instances were offered from the past of how prices were established by the first major producer making an offering. The bulletin reiterated the A.N.P.A. stand that the price for 1935 had been stabilized by the arrangements made between St. Lawrence Paper Mills Company and Powell River with their customers.

The bulletin criticized International for reversing its position in 1928 when it offered a lower price for newsprint than was standard, and made the price stick for the entire industry. International Paper Company, the bulletin said, "is endeavoring to disregard the fact that the price has been fixed," and if successful, it was asserted, "there will be a departure from the same base price for all."

It was also said that newspaper production capacity exceeds any possible demand and that the Canadian mills are allocating their tonnage, increasing materially the production cost of those who surrender tonnage.

It was recommended to publishers that contracts should be with low-cost producers with the condition that they manufacture the product. Delay in signing contracts was counselled.

Power Corp. Group Report Output Gain

From Our Own Correspondent

MONTREAL.—An increase of 6.5 per cent in power output for October, as compared with the corresponding month last year is reported by the subsidiary and affiliated companies of Power Corporation. Total output for the month amounted to 157,025,574, k.w.h., an increase of 9,613,846 over the total for October, 1933. Canada Northern Power and Manitoba Power recorded the greatest increases.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Cost
College de Notre-Dame, Côte des Neiges, Montreal (Religieux de Ste-Croix)	Nov.	La Corp. de Prêts de Quebec and Lucien Cote Inc.	4½%	1937-49	$325,000	*100	4½%

*Offering price.

BUSINESS IMPROVES

Imperial Bank of Canada 60th Annual Meeting

Statement Shows Increased Profits and Deposits

Co-operation With Bank of Canada Promised

The Annual Meeting of Shareholders was held at the Head Office, Toronto, on 28th November. The Chair was taken at noon by Mr. Frank A. Rolph, President who said in part:

President's Address

You will notice by the Balance Sheet before you that the net profits for the year are slightly higher than for the previous year, and that we carry forward a slightly larger amount to the credit of Profit and Loss Account. Throughout the year we have maintained the dividend rate of ten per cent. (10%), and the results obtained have justified our doing so.

FOREIGN SITUATION

The political situation in Europe is causing a great deal of uncertainty throughout the business world and the disturbances which have been taking place, together with the rumours of further troubles to come, are retarding business development along International lines. For a considerable period of time, and especially within the past twenty years, changes have taken place throughout the World, gradually evolving better conditions for the underprivileged classes. A most drastic form of change took place in Russia by means of revolution and the ultimate result is still in doubt. Italy, accepting a powerful Dictator, is far better off than she was but how long she can continue along present lines is still to be determined. Germany is trying a different method, so drastic it may bring disastrous results. In the United States President Roosevelt's policy is working a readjustment which we hope is going to be beneficial, but the situation is so involved at the present time that we cannot foresee the final outcome. We are hoping for the best. In Great Britain the same process is under way but along democratic lines with the co-operation of the people, and under sound legislation. This is bringing the best results of any of the European countries. All these readjustments aim at betterment, especially for the working and underprivileged classes.

What we appear to suffer from throughout the World at the present time is not over-production of any one product, but lack of methods of distribution. Here again readjustment is necessary, not a redistribution of gold and silver, but a redistribution of the products of the World so that the surplus products of one country are made available for the needs of the others. It is a complex problem—a problem of first magnitude, but one which is in process of being solved. While this process may be slow we will have to exercise patience and do our part toward that readjustment and redistribution which is essential for the world's welfare.

CANADIAN CONDITIONS

A few weeks ago I made a trip through to the Pacific Coast with our General Manager, our Winnipeg Directors and our Western Superintendent. We visited most of our important branches from Winnipeg to Victoria, and interviewed many of our Managers from smaller branches who met us at central points. We found conditions generally much better than expected and notwithstanding the trying periods through which our Western farmers have passed they are still of good heart, and carrying on with a desire to meet their financial obligations and to maintain their farms. Even in districts as hard hit as South Saskatchewan was they still keep up courage and express their desire to pay their debts. We admire our Western people for the way in which they meet adversity and carry on under trying conditions. Notwithstanding the severe losses suffered through drought the country as a whole shows an improved condition over 1933.

In **British Columbia** there has been quite a revival in mining and in the lumbering industry, Great Britain and the overseas Dominions being the most important customers for B.C. lumber. Trade agreements, especially the Ottawa agreement, are responsible for the much larger export of lumber to Great Britain, Australia, South Africa and other Dominions, besides foreign markets. The loss of the United States' market through tariff restrictions has been practically made up by the increased markets obtained from the sources I have mentioned.

Alberta—In this Province conditions on the whole are better than in 1933 and optimism is the keynote for the future. The crop of wheat in 1934 was larger than the crop of 1933 and with better prices the situation looks considerably improved.

Saskatchewan—Saskatchewan has been the greatest sufferer of all our Western provinces, having been more severely hit by the drought, but notwithstanding this, collections are slightly better than they were last year and better prices are obtainable. If they could get an average crop next year at present prices many of the financial difficulties would be solved for them.

Manitoba—The wheat crop was slightly higher in 1934 than in 1933 and with a greater diversity of interests than in some of the Western provinces they are looking forward with considerable optimism to the year ahead.

Ontario and Quebec have both made considerable recovery in manufacturing, with higher commodity prices, showing itself quite markedly throughout these two industrial Provinces. The bottom of the depression was touched about February, 1933, nearly two years ago, and the recovery has been going on ever since, slowly and somewhat irregularly, but substantial gains have been made. The outlook for the newsprint industry is greatly improved with the demand and the price advance which has recently been announced. This will have a beneficial effect on the lumber industry and, as a consequence, activities in the woods will undoubtedly increase this winter and will aid materially in the matter of employment. There has been greater activity in mining with a larger output of gold and silver as well as other metals, giving additional employment to many men. In light manufacturing there has been an increase in volume but it is not yet up to what might reasonably have been expected in view of the advance in the different classes.

Maritime Provinces—We have no branches but statistics go to show that there has been a very marked improvement in conditions which is most encouraging.

GENERAL BUSINESS

Taking it all in all, there is a general growth in Canadian business as shown by the Dominion Bureau of Statistics, reporting Exports up and Imports up. There is nothing to indicate a boom, for which we may be thankful, but the general improvement which has taken place throughout the year looks encouraging for the future. Commodity prices are up in most lines and, generally speaking, there is a better feeling throughout the industrial and financial markets of Canada.

RAILWAY SITUATION

The operating deficit of approximately One Million Dollars ($1,000,000.00) per week which the taxpayers of Canada are paying to maintain the Canadian National Railways is still one of the most serious obstacles to the balancing of our Canadian Budget. It is very difficult to determine what is the best step to take to relieve ourselves of this burden. It seems absurd to maintain duplicate services where only one is required. Together with many others, I dislike the thought of a monopolization of our railway system, but from an economic standpoint I cannot help but feel that in Mr. Beatty's solution by unification lies the only measure which will bring the maximum of relief. Co-operation is accomplishing something, but only a small part of what could be accomplished if we could do away with the great duplication of effort and expense which now prevails.

BANK OF CANADA

Now that the Bank of Canada is established in Canada, it is up to us to support it. The views expressed at our last Annual Meeting, regarding the establishment of a Central Bank, have not changed, but we feel that we may congratulate the Government on the appointment of Mr. Towers as Governor of the Bank, and of Mr. Osborne, Secretary of the Bank of England, as Deputy-Governor. Under these two gentlemen we should have a wise and fair administration, and so far as this Bank is concerned we will endeavour to co-operate with them.

EXPENSES OF GOVERNMENT

A few moments ago I mentioned the cost to the taxpayers of Canada in connection with one item of Government expenditure, namely the maintenance of the Canadian National Railways. This is only one of the services for which we are paying too much. I am not a politician—never have been, and hope never to be—but the truth of the matter is, we have altogether too much government in this Canada of ours. We need a Federal Government, but we do not need more than half of the Provincial Governments we have. We do need a certain amount of municipal administration, but we have four or five times what is required for the maintenance of law and order and the other essential services required for carrying on the necessary business of governing a people. I am not finding fault with any particular administration, Federal, Provincial or Municipal, at the present time, I merely throw out the very general remark that we have altogether too much of it. I hope somebody with more knowledge and ability than I have will devise some means of suggesting to the people of Canada a Government, or Governments, which will be adequate without having it as cumbersome, unwieldy and expensive as what we are labouring under, in its different forms, in Canada today.

NEW BUILDING

This present Head Office building has been occupied by the Bank since its inception in 1875. We have long had under contemplation a new Head Office building, but have postponed taking the step until we considered the time opportune. Many years ago we purchased the property on the northwest corner of King and Yonge Streets, which was later expropriated by the Dominion Government for the use of the Canadian National Railways. We then purchased the Union Bank of Canada building on the southeast corner of Bay and King Streets, together with additional property adjoining so as to give us a site of 100 Ft. frontage on King Street and 100 Ft. on Bay Street, to enable us to erect a Head Office building at the proper time. Very careful consideration has been given to this by the Executives and Directors of the Bank and we were all unanimous in the opinion that it was high time for us to erect our new Head Office building. Our present quarters here on Wellington Street are out of date and away from the financial centre of the city. We are satisfied that more business will result to the Bank when we move to the new building which will be in the heart of the financial district of Toronto. We have no intention of being extravagant. We will utilize the frame work of the present corner building but will merge it all into one complete 100-foot block making a dignified, useful building in which to conduct the Bank's business. A general contract for this new building has already been signed and the work will be well under way early in the New Year. It will probably take about twelve months to complete, and we have some slight hope that our next Annual Meeting will be held in the new building.

MR. A. E. PHIPPS
General Manager

I trust you will find the statements of Profit and Loss Account and the General Balance Sheet, which are in your hands, satisfactory. As was the case last year, there has been very little change in the figures—but there has been a moderate further improvement in the position and a slight increase in the earnings and the totals of the major items in the Balance Sheet.

Those of you who are observant will note that the wording of the profit item has been changed. Whereas formerly we declared that the profits for the year were so much, "after paying all expenses and providing for all bad and doubtful debts," the relative statement this year is "after making provision to contingency accounts, out of which full provision for bad and doubtful debts has been made." We have been asked to adopt this new phraseology for the sake of uniformity, but it means exactly what our former statements did, that the profits for the year are after making full provision for all expenses and bad and doubtful debts out of the current year's earnings.

The profits at $1,231,992.97, compared with $1,204,038.70 for 1933, show an increase of nearly $28,000 and have been sufficient to provide for the dividends at the rate of 10% per annum and enable us to write to contingencies the sum of $300,000 as against $250,000, last year, and to carry forward $595,775.18, which is about $15,000, more than last year.

GENERAL STATEMENT

There has been an increase of $475,420, in circulation, which now stands at $8,375,638. Deposits are up $2,312,893.26 and now stand at $106,761,943.11—the increase being altogether in deposits by the public bearing interest, the figures being $85,600,000 compared with $83,300,000 in 1933. The Bank's total deposits in the 1922 statement were 99½ million dollars.

The other liabilities are advances under the Finance Act, which, as formerly explained, is the Bank's share of the loan of $35,000,000 to the Dominion Government financed in this way in November, 1932. Deposits by other banks in Canada and elsewhere and Letters of Credit outstanding are about $1,000,000 less. This has no significance as these accounts fluctuate from day to day. Total liabilities to the public stand at $120,500,424.79 compared with $118,733,282.52 in October, 1933, an increase of $1,767,142.27, and reflects an improvement all along the line. The expansion in circulation and deposits indicates increased activity in business.

ASSETS

The position of the assets is almost unchanged from last year — the actual cash is $9,800,000 odd compared with $9,900,000 odd a year ago. The cash and cash items together total $22,717,000 odd compared with $22,366,000 last year. The securities made up of Dominion and Provincial Government Bonds $23,700,000 odd, municipal securities $5,400,000 odd, and other good bonds $154,000 total $29,357,282.94 compared with $29,224,564.24. There has been an increase of a little over $1,000,000 in the Call Loans, which stand at $7,012,892.97 caused by increased activity in loans to brokers. Advances to Provincial Governments have increased some $320,000 and stand at $3,200,013.53, while the loans to Cities and Municipalities of $7,550,297.73 are down $1,000,000, which we hope is a sign of not such free borrowing by municipal authorities.

The total of the amounts mentioned above comprises what we call the quick assets of the Bank and equal 58.4% of the Bank's liabilities to the public compared with 58% last year—the proportion of actual cash and cash assets being 13.85%.

The current loans are nearly $59,000,000 against $57,500,000 in 1933 and 1932. The bank premises remain at $6,000,000.

The other minor items making up the Assets remain in much the same or slightly improved position.

BRANCHES

The Branches of the Bank now number 197—a reduction of 2 during the year. The largest number of Branches the Bank ever had in operation was 227 at the end of 1931. It is interesting to note that the greatest number of Branches operated by all the Canadian Banks was 4,876 in 1920 of which 200 were outside of Canada—the figures are now 3,762 Branches of which 155 are outside of Canada.

SHAREHOLDERS

The shareholders of the Bank total 2,652 compared with 2,645 a year ago. The shares held by residents of the United States number 8,765 divided amongst 343 shareholders, compared with 8,568 shares with the same number of shareholders a year ago.

STAFF

The Staff at present numbers 1,351 compared with 1,380 a year ago. The Staff have worked very loyally and well during the year and it is to their devotion to duty that the satisfactory statement you have before you is principally due.

GENERAL

This concludes the explanations I have to make of the Bank's business and so on and really brings to a close the duty imposed upon me by the President who has dealt with the present condition of business and the future outlook very well indeed. With Mr. Rolph's remarks I thoroughly agree and have little to add to them.

One of the matters talked about by him which must be of interest to every shareholder is the erection of the Bank's new Head Office building at the corner of King and Bay Streets, Toronto, which is now definitely under way. Doubtless you have seen and read enough in the newspapers to give you a very good idea of the size and proportions of the building. It will be a simple but handsome structure devoted entirely to the purposes of the Bank, although at the beginning there may be a moderate amount of space included to take care of future expansion from which we may in the meantime derive some revenue. The bankingroom, which will be 22 feet high and which will occupy the whole of the ground floor, should be sufficient for our needs for many years. The structure when completed, we are satisfied will meet with your approval and will be a real acquisition to the business section of Toronto. Its cost has been stated to be something under $1,000,000 but we expect to complete it for some $750,000, so that we are not being unduly extravagant. We expect to move into the new building in about a year's time. Of course, thereafter we will maintain a Branch, complete in all respects, on the site of the present Head Office for the convenience of our old friends and customers located in this vicinity. We have taken a long time to make up our minds to build a new Head Office, and I think your Directors have done wisely in waiting. We have been able to profit by the experience of others and are getting our building during a period of lowest construction and moreover we are building it at a time when leadership, particularly in construction, is urgently required, and when the implied expression of confidence in going on with the work just now should be helpful.

INTEREST RATES

Toward the end of our fiscal year through the co-operation of the Dominion Government with the Chartered Banks and other institutions accepting deposits an arrangement was arrived at whereby the rate of interest on deposits was again reduced, the rate upon saving deposits being 2% from the 1st November. This reduction was inevitable owing to the advancing price of Dominion Government and giltedge securities which, of course, means a substantial cut in income from such investments, of which the Banks are holding increasing quantities—the holdings by all the Chartered Banks of Dominion and Provincial securities alone at the end of September, 1934, being over $710,000,000. The comparable figures for the two past decades being $361,000,000 in 1924 with only 11½ millions in 1914. It is quite evident that a reduction in the rate of return of from ½ of 1% to 2% and even more on such a large proportion of the investments of the Banks meant that the Banks could no longer afford to be so generous to their depositors. The reduction in interest on deposits has also enabled us in some instances to reduce the rate of interest to important commercial accounts and thereby we hope stimulate business to some extent.

BANK OF CANADA

The President has alluded to the establishment of the Bank of Canada and I fully concur in all he has said. Now that the Government in its wisdom has gone about the establishment of the Bank of Canada, we are glad to know that the provisions of the Act of Incorporation are moderate and generally satisfactory I believe to the Chartered Banks. I also would like to associate myself with the President's remarks regarding the selection of a Governor in the person of Mr. Graham F. Towers, whom I have known for a number of years. I believe the appointment to be an excellent one and Mr. Towers assures me that the choice of Mr. J. A. C. Osborne as Deputy Governor is entirely satisfactory to him. Mr. Osborne's experience in the Bank of England should render him a most valuable assistant to Mr. Towers in getting the Bank of Canada working to the satisfaction of everybody. As far as we are concerned we promise full co-operation and we trust that the Bank of Canada will prove a real corner-stone for Canadian finance.

SERVICE TO ALL

In 1932 I told the Meeting that the policy of the Imperial Bank of Canada was to continue to give the very highest service to all, assisting to the fullest extent consistent with safety those of our customers who were struggling honestly with adversity and extending the utmost leniency to our friends and customers for whom the going was hard, with the endeavour always before us to keep business on its feet and the farmer on the land. I repeat this is our policy today, and while it may for some time to come entail some rebate of interest and even in some cases a partial rebate of principal to those who are struggling I am satisfied that policy is a sound one and will be found the best in the long run. As a matter of fact we have already adopted it in some instances with satisfactory results.

BETTER TIMES COMING

Last year I ventured the opinion that we were slowly emerging from the condition in which we found ourselves two years ago and I think that all of you will agree that the prediction was a happy one and proved to be correct. It is true that business slows up a little from time to time but it goes forward again and each time the wave comes a little higher up the shore, and while the time of waiting is wearying and tries our patience I still am confident that barring any major disturbances in the world affairs we are really on our way to better times.

Directors were re-elected as follows: Frank A. Rolph, Lieut.-Col. J. T. Michie, R. S. Waldie, George C. Heintzman, J. W. Hobbs, Walter C. Laidlaw, John A. Northway, A. E. Phipps, Henry E. Sellers, Winnipeg, George H. Aikens, K.C., Winnipeg, R. O. McCulloch, Galt, and W. B. Woods. Subsequently a meeting of Directors re-elected Frank A. Rolph, President, Col. J. F. Michie and Mr. R. S. Waldie Vice-Presidents.

3 U. S. A. SERVICES SAY CANADA LEADS WORLD RECOVERY

Duns, Babsons, Cleveland Trust Confident for Future

During November, three well-known United States business commentators drew attention to the progress being made in Canada in industrial recovery, two of them stating that the Dominion was leading the world in this respect. The other business survey, that of the Cleveland Trust Co., contented itself with a comparison of United States and Canadian indices, favorable to the latter. It pointed out that these indices bear a closer relationship to one another than those of any other two countries.

Using the comparable indices of industrial production and employment in the two countries, the Cleveland Trust Co. showed that, first, neither of these indices declined so far in Canada as they did in the United States. Secondly, during the first upward surge of the summer months of 1933, the U.S.A. indices outstripped those of Canada but since then, the U.S.A. indices have shown marked declines while those of Canada have moved upward with only slight temporary set-backs.

In the current issue of Dun & Bradstreet's weekly review of business, the Canadian situation is described as follows:

"In spite of the uneven tempo of trade during the past fortnight, the collective forces behind the Canadian business recovery, which is outdistancing that of the other trading nations of the world, were reviewed strongly."

Speaking recently in Toronto, officials of the Babson Statistical Service stated that Canada had made the greatest recovery from the depression of any country. The 1935 outlook, they said, indicated a slow but steady climb out of the depression, with business increasing from 10 to 15 per cent as compared with this year.

The Financial Post

Member Audit Bureau of Circulations

Editor—Floyd S. Chalmers

Business Manager—D. M. Gowdy

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TORONTO, DECEMBER 1, 1934

TOO MANY LAWMAKERS MEANS TOO MANY SPENDERS

THE United States' 8,158 lawmakers have recently been reduced by 83. Arthur Brisbane tells what happened at the last election.

"The State of Nebraska, at the suggestion of Senator George W. Norris, wiped out its state senate, with 33 members, and its state house of representatives, with 100 members, substituting for both a single body, 'unicameral' legislature, one single house of 50 members.

"Consolidating two legislative bodies into one and lopping off the public payrolls 83 from a total of 133, is a good step in the direction of reducing the national, state, city and county payroll armies of tax-devouring officials."

Canada has 881 lawmakers which is more than there are in any of the following countries:

Japan, with 67,000,000 people.
Netherlands, with 8,000,000 people.
Poland, with 32,000,000 people.
Portugal, with 7,000,000 people.
Sweden, with 6,000,000 people.
Australia, with 7,000,000 people.
Argentina, with 15,000,000 people.
Greece, with 6,000,000 people.
South Africa with 7,000,000 people.

We do not need more than from 10 to 30 legislators in any province; nor more than 100 at Ottawa.

Electing all the others merely lets us in for that much extra spending.

FARMERS NOT PERMITTED "TO LICK THE WORLD"

THE Nor'west Farmer quotes a wheat grower in the Regina plains area who squared his shoulders and said, "We can lick the world growing wheat." This farmer had enjoyed a good cash income from a crop of 13½ bushels per acre of No. 1 hard. Another good wheat grower out in the Goose Lake country of Saskatchewan figures that in any time he can get by on 10 bushels per acre. The Nor'west Farmer remarks of these incidents:

"To hear a real dirt farmer say these things under 1934 price and yield conditions gives us a great deal of hope for regaining Canada's rightful share of the world's wheat trade."

The farmers are indeed making their contribution to restoring Canada to leadership in world wheat. But what is Ottawa doing? Through "stabilization" operations it is maintaining Canadian wheat prices at above the world levels, holding a weighty "surplus" over prices and thus robbing the farmers of their market.

If Canada can "lick the world growing wheat," Canada should set about the business of doing it. We should meet the world price and force other acres in other countries, acres less suited for wheat growing than our own, out of production. Our main job is to hold our market so that we can again cash in in a big way when wheat prices improve. But at the present time, we are losing our market. It may not be there for us when we need it in the future.

Holding wheat prices by government stabilization operations may present an artificially encouraging picture today but it is likely to have very serious, if not fatal, consequences in our future in wheat growing.

A NEW PATRONAGE RACKET; THE ELECTION LISTS

THE public has very little appreciation of the cost of preparing the new Federal voters' lists. When all factors are considered it is clear that by the Dominion Franchise Act of 1934 a reform of very doubtful value has been achieved at very great expense.

In former times the Chief Electoral officer under the Dominion Elections Act and his returning officers (one in each constituency) were responsible for the preparation of voters' lists. They took the latest available provincial list and revised it at relatively small cost—thus obtaining a suitable list for Dominion purposes.

But the new Dominion Franchise Act jettisoned this simple and economical machinery and set up a new and nation-wide organization to do the work. The personnel of the Dominion Elections Act has been duplicated and the business of compiling voters' lists, of qualifying for the ballot, has been made both difficult and vexatious. It is now the statutory intention to prepare and print a new Dominion list each year. To do this will cost $600,000 in 1934 when the basic list is being made and probably $300,000 per year thereafter. The lower cost after 1934 is explained by the fact that it will be necessary only to revise the list, whereas this year a complete new one was compiled.

Under the old system the taxpayers had to find some $500,000 every election year, which was about once every four years. Under the new system it will be $600,000 this year and $300,000 per year thereafter. The difference will be an item of one million dollars during the next four years and of some $700,000 each four year period thereafter. On balance it seems undeniable that this is a sheer waste of public money.

The new statute has brought about a very large and indefensible increase in government employees, temporary and permanent. In addition to the Chief Electoral Officer and returning officers in each riding we now have a Chief Franchise Commissioner and revising officers in each riding. And in preparing the 1934 complete lists battalions of enumerators were hired to make house to house canvasses.

On the other side of the ledger it is claimed that the new lists will enable general election campaigns to be run off in 30 instead of 60 days—certainly a doubtful advantage in a country of vast distances and sparse population. In the past, the length of the campaign has been controlled by the length of time necessary to prepare new lists. In the future the campaign need not be longer than is necessary for the political leaders to stump the country. Further, it may be claimed that a foundation has been laid for additional measures of electoral reform, such as the disfranchisement of all who fail to exercise their ballot. This, too, is of doubtful value.

If the Dominion government had provided in its new franchise law that the annual Dominion lists should be available to the provinces and the municipalities for use in their elections, the change could be more easily defended. There would then be an offset item—provincial and municipal savings to balance the greater expenditure by Ottawa. But this was not done and there is little indication that other governments will depart from their former methods of preparing lists.

The Franchise Act, therefore, with its battalions of enumerators, officered by some 250 permanent employees (disregarding clerical staffs) is little better than a patronage racket.

BRAKES DO NOT INCREASE POWER

"THE consumer always pays." That is what Callisthenes says in a recent column of Selfridge & Co. in the London Times. There is a general belief that the nation's wealth can be increased by imposing new restrictions upon business. But as the Selfridge philosopher says, "Officials and restrictions can alter the direction in which the wealth of the country travels. By so doing, they can only diminish it. Never can they create wealth."

Restrictions do not add any more to the wealth of a country than a brake adds to the horsepower of an engine.

That the consumer always pays is shown by what is happening in regard to milk in Ontario. One of the dairies in Hamilton that felt it was selling its milk at too high a price, tried to pay some of its excess profits back to its customers in dividends. The governmental milk board immediately tried to force it to cease and desist from the practice. The milk monopoly control of the Ontario government may be of some temporary benefit to the farmers but it is of immediate disadvantage to consumers and in the long run it cannot help the farmers very much because the maintenance of an artificial high price for milk will simply decrease the consumption of milk in all forms and thus restrict the farmers' opportunity for profit.

Milk is only one example of how, by governmental restriction of consumption and production, we are trying to add to the net total of wealth.

DOMINION'S FINANCIAL POLICIES EXPLAINED BY MR. RHODES

HON. E. N. RHODES and the Department of Finance, Ottawa, have done a useful public service in placing on record in a series of memoranda the efforts that have been made by the Dominion government to reduce the level of interest rates in Canada and to reduce the debt charges of the government by conversion of loans.

The efforts to reduce interest rates have been effective in the field of gilt-edged securities. And the effects appear to be spreading as was the intention of the government. One important consequence is that all credit-worthy governmental borrowers have benefitted from low money rates.

Loan conversions since 1930 have reduced annual interest charges on the Dominion's borrowings by $14,615,847, according to Mr. Rhodes' compilation. Unfortunately, however, this calculation makes no allowance for the heavy increase in debt in recent years. This has had the effect of increasing, and not decreasing the gross charges on the national debt. The trend toward lower interest rates, however, has tended to moderate the increase in the debt burden.

LONDON GAINS IMPORTANCE AS INDUSTRIAL CENTRE

LONDON is the financial centre of the world; the social and entertainment centre of the British Isles and, of course, the political heart of the Empire. One usually does not think of it as an industrial centre.

But some recent compilations indicate that in the shift of industry in Great Britain, London is gaining tremendously at the expense of the older industrial areas. Analyzing data from various sources, the Midland Bank finds that Greater London, that vast industrial, commercial, financial and residential district of nearly 700 square miles that is contained within the metropolitan police boundaries and which has a population of a little over 8,200,000, has become a vast hive of industry.

In this area, nearly 19 per cent of all the insured workers of England are located. Over 26 per cent of England's entire industrial output comes from it.

Industrially, the city is growing rapidly and in 1932 and 1933 respectively the numbers of new factories established in Greater London were 251 and 220 respectively. Only those plants employing 25 or more people are included. Nearly one out of every two new factories established in England are placed in the London district.

FINDING A BASIS FOR EXCHANGE PACT

ONE of the difficulties in attempting to effect a tri-partite agreement between France, England and the United States on the matter of currency stabilization is to determine at what point exchange parities between the currencies should be established.

It is generally agreed that the franc is overvalued; there is also general agreement that the dollar is under-valued. Between the two the pound sterling pursues an uncertain course, sometimes influenced by the gold currencies and sometimes influenced by the dollar.

A devaluation of the franc and a further rise in prices in the United States would help to solve much of the present disequilibrium quite obviously, as the Economist of London points out. Both of these moves are outside the control of the British people.

When Ramsay MacDonald went to call upon Mr. Roosevelt late in April of 1933, the world expected them to achieve an agreement on exchange stabilization. But the British assumed that the basis of stabilization should be somewhere between $3.50 and $4 for the pound while the Americans thought that it should be somewhere between $4.10 and $4.25. No reconciliation of these conflicting views was possible, and finally the world monetary conference came along to destroy any possibilities of early stabilization agreements between the two chief currencies.

A great deal has happened to prices in the meantime and any stabilization effected today would have to be at a much higher figure for the pound than either the British or the Americans suggested in 1933.

The Economist has worked out a rough and ready calculation as to the proper rates of exchange between the pound and the dollar based on prices in the two countries. Without going into the niceties of the calculation, or attempting to outline all the qualifications to the figures that should be expressed, it may be stated that if an equilibrium rate of $3.60 was suitable for April, 1933, an equilibrium rate of $4.63 would be suitable today.

But while the pound should be selling at $4.63 or more in terms of American currency, a similar calculation would indicate that it should be selling at frs. 85 or $5.66 in terms of French currency. Obviously, under such circumstances, any effective stabilization agreements could go little further than establish a fairly wide range of fluctuations within which attempts would be made to restrict the upward and downward movements.

Post-Scripts

AN INSURANCE company recently received the following reply to a birthday greeting card:

"I received the birthday card you sent to John Doe.

"He died a year ago.

"You paid the claim.

"Such is modern efficiency."

* * *

WALTER WINCHELL on the radio has been carrying on an ether conversation with some folks at Cameron Bay, on Great Bear Lake. It makes Great Bear Lake sound unutterably romantic when he talks about his friends "up near the North Pole." The loud-talking keyhole reporter of Broadway thinks he is a pretty smart fellow for having discovered Cameron Bay on the map.

Some Canadians, who bought Eldorado mines at 25 cents and sold it out at $8, thought they were pretty smart too in discovering Cameron Bay. But some others who paid $8 for their stock and now look occasionally at the present quotations wish Walter Winchell would find someone else to correspond with.

* * *

PRIVATELY owned power utilities in Quebec have been put "on the spot" through the agitation of the mayor of St. Hyacinthe, Hon. T. D. Bouchard, for lower electricity rates. Mr. Bouchard has had some measure of success in securing lower rates in his home town. Thus encouraged he has campaigned for a general reduction in rates throughout the province, and lately has been successful in securing the appointment of a provincial commission to enquire into the electricity situation in Quebec.

Quebec is the stronghold of the privately owned utility. Other provinces and states have made life difficult for private companies, but not so Quebec. In that province everything has been done to encourage the investment of private capital. Consequently several hundred millions of dollars have been invested in the generation, transmission and distribution of power. The operators have prospered, but in their prosperity some have become indolent and tended to disregard the interests of those on whom they are dependent for their continued welfare—the public.

As a group the Quebec privately owned power companies have served the public well. They have provided industry, commerce and the domestic consumer with electricity at rates comparing favorably with those imposed in other parts of the country. But in surveying their record one weakness stands forth—the lack or disregard of public relations. More than in any other industry, the utility must build up and maintain the goodwill of the people of the territory in which it operates. Had the Quebec companies done as much on public relations as they have on the technical side of their operations, they would not be called on at this time to defend their stewardship.

Sayings of the Week

"Where once men's minds were certain, they are now cynical."—*Glenn Frank.*

* * *

"There is something greater than communism and that is freedom of the human mind."—*H. G. Wells.*

* * *

"I am an old-fashioned, unrepentant democrat; I believe in the masses."—*Rt. Hon. Geo. Lansbury, M.P.*

* * *

"The important thing for a worker is his yearly wage, rather than his daily wage."—*Raymond Moley.*

* * *

"Unemployment insurance as a solution for unemployment is a typically political solution."—*Henry Ford.*

* * *

"There are plenty of those who are dead and don't know it."—*Dr. A. J. Carlson, University of Chicago.*

* * *

"Man today is undermining his health through excessive worry." — *Dr. Charles E. Barker, of Grand Rapids, Mich.*

* * *

"The aeroplane of the distant future will be able to fly as safely and land as slowly as do the birds of the air."—*Richard E. Byrd.*

* * *

"Canada's main purpose in suggesting the Ottawa Conference was to give a lead in tariff amelioration."—*Rt. Hon. Arthur Meighen.*

* * *

"The real liberal is at once truly conservative, since he preserves and builds upon all that is best in the past."—*Nicholas Murray Butler.*

* * *

"The name of the United States is being blackened in all the countries in the world by salacious movies."—*Bishop William T. Manning.*

* * *

"The creation of a home that is a place of refuge, beauty and peace is the greatest career any woman can have."—*Mrs. Thomas A. Edison.*

* * *

"Every new scientific discovery and every new war invention is making a real modern war more and more improbable."—*Rt. Hon. Jan. C. Smuts.*

* * *

"I do not object to any man building up a great fortune, provided he can do so without injury to others."—*U. S. Secretary of Interior Harold Ickes.*

* * *

"The disappearance of the freedom-loving individual and his replacement by a servile mass-mentality is the greatest human menace of our time."—*General Smuts.*

* * *

"The Ottawa agreements were an attempt to carry the Empire in particular and the world in general safely through the economic blizzard."—*Malcolm MacDonald, M.P.*

* * *

"Every child in our modern world should possess at least one handicraft; every adult should practise some form of art or craft."—*Sir Herbert Barker, British Surgeon.*

* * *

"In Europe the physical facade of civilization is crumbling. Dirt and disorder daily gain ground . . . In America the entire structure of civilization is as complete as ever."—*Ludwig Lewisohn.*

* * *

"Surely capitalism is an animal with defective organs rather than a flaming mouth, needing the helpful remedies of a surgeon's knife rather than the mortal wounds of a knightly spear."—*The Hon. R. D. Denman, M.P.*

The World at Large

Sly Jap Navy Move

Naval Parley In London Meets With Shrewd Counter-Moves By Japanese Statesmen

By JOHN A. STEVENSON

The naval discussions now proceeding in London between representatives of Britain, the United States and Japan are obviously having a decidedly checkered career but gloomy cables about a complete deadlock, accompanied by forecasts of their impending abandonment, are invariably followed by news of a more hopeful tone to the effect that a new plan of compromise is under consideration.

So far the Japanese have been rigidly insistent that they will not renew the Washington naval pact, which is due to expire in 1936, unless they are accorded complete parity in naval strength and unless the obnoxious ratio of 5-5-3 in capital ships is eliminated. The British and Americans, however, have stood firmly together in resisting this demand. They contend that, as they have both much larger coastlines and more widespread commercial interests to protect than Japan, whose problem of naval defense is comparatively simple, they need larger navies, and that if Japan were possessed of a navy of equal strength to theirs, she would be left in a position of unchallengable dominance in the Pacific and Eastern Asia.

Want New Upper Limit

The Japanese delegates in London have professed their anxiety to curtail naval armaments and have advocated the abolition of "offensive" warships but it was left to Hirosi Saito, Japanese Ambassador in Washington, to give a specific explanation of Japan's ideas and aspirations. Speaking to the American Academy of Political Science on Nov. 23 at Philadelphia, he said that Japan regarded the ratio system in regard to navies "as inappropriate and proposes that a general parity system by the establishment of a common upper limit for all navies should be instituted."

He then went on to declare that Japan wanted to achieve naval parity not by building up to the strength of the British and American navies but by getting the strength of both these reduced to the Japanese level and that she favored the abolition of both capital ships (i.e. battleships) and aircraft carriers. He deplored the unwillingness of the British and American naval authorities to give up these types of warship and slily suggested that this insistence upon keeping such expensive forms of armament must be due to a desire to use navies as offensive instruments of national policy.

Quandary For Others

Now this assumption by Japan of the rôle of an advocate of naval disarmament is a very shrewd manoeuvre and places the other two powers in a very difficult quandary. In both Britain and the United States there is a very substantial body of opinion which favors naval disarmament and particularly the abolition of battleships. Its hands are strengthened by the frequently proclaimed view of authoritative experts that, in view of the tremendous recent developments in the offensive power of airplanes, battleships are too vulnerable to be of much value in war, at least in narrow waters. But the British and American naval authorities will take very unkindly to the suggestion that they should cut down naval forces, which they hold are already too weak for the adequate defense of their countries. In Britain, for example, Sir Roger Keyes and other admirals have been clamoring for the denunciation of the Washington Treaty and insisting that Britain must have more cruisers to protect her commerce. They will point out that as long as France and Italy maintain fleets of battleships, Britain must keep hers and they will also recall that Herr Hitler has at his command two "pocket battleships," whose comparatively small size does not prevent them being extremely powerful both for offensive and defensive purposes.

France, Italy Diffident

Of course, the advocates of acceptance of the Japanese plan will say that France, Italy and Germany might be induced to give up their capital ships but at present there seems little prospect of France and Italy, between whom naval rivalry has been very keen, being persuaded to take such a step.

Again, while the spokesmen of Japan keep proclaiming that the main motive for their demand for parity is a desire to remove an intolerable stigma of national inferiority, the suspicion prevails that her attitude is dominated by more practical aims. If by the abolition of battleships and aircraft carriers, the major navies of the world were placed on a purely defensive footing, Japan would for all practical purposes be left immune from any European or American interference with her designs in Asia. She would be saved the necessity of spending large sums on the building of capital ships which she must do if she carries out her threat to denounce the Washington agreement and build up to "parity." She would be free to consolidate the position which she has been building up in Manchukuo and elsewhere in the Pacific and the mainland of Asia.

Indeed, it is argued that if the British and Americans were to fall in with the Japanese plan, they might as well recognize the "fait accompli" in Manchuria, accept the Japanese thesis about the future of China and admit Japan's claim to supremacy in the Eastern Pacific. But obviously neither the British nor the American Governments are prepared to do this and they will continue their efforts to convert the Japanese to what they regard as sanity.

Anglo-Saxon Accord

Apparently the Americans hold the view that the Japanese threats about denunciation should not be taken too seriously as they are convinced that if Japan had merely wanted to get rid of the treaty restrictions, she would never have participated in the discussions in London. And one very encouraging aspect of the conference is that the British and American delegates seem in complete accord and on Nov. 23, the day that Ambassador Haito spoke, Hon. Cordell Hull, the American Secretary of State, in a very significant statement, forecast close active and friendly co-operation between the United States and Britain.

At present they are co-operating in protests about the declared intention of the Japanese Government, made in the name of the Government of "Manchukuo" to give a monopoly of the oil business in Manchukuo to a company financed by Japanese capital. Such a move threatens the local business of Britain, American and Dutch oil interests and their three governments have protested that such an oil monopoly would be gross infringement of the Washington Nine-Power Treaty relating to the integrity of China by which the principle of the "Open Door" in Chinese territory was reaffirmed.

Aim at Domination

The Japanese retort that since "Manchukuo" is no longer a part of China it is for her government to determine whether or not she is bound by the Nine-Power Treaty.

The episode, which is by no means closed has created a very unpleasant impression both in Britain and the U.S. and forced a realization that Japan aims at commercial domination in the Far East to the detriment of the interests of other countries.

As Others See Us

Cannot be Laughed Off

Woodstock Sentinel-Review

Toronto Star cartoonist the other day depicted President E. W. Beatty of the C.P.R. as trying to frighten the public by crying "Wolf, wolf!" and waving a harmless wolfhide representing C.N.R. deficits. About the same date a Financial Post cartoon attained the other extreme. It represented the National Railways as a stagecoach negotiating the road along a precipice. It was taking the turn on two wheels—one had been hurled into mid-air, while the driver, Hon. C. P. Fullerton, called to the taxpayer as passenger, "Don't worry—we're doing very well."

Cartoonists are allowed some latitude in the way of exaggeration. Notwithstanding predictions to the contrary, it is to be hoped that the C.N.R. will not in the immediate future carry Canada into the abyss of bankruptcy. But even a cartoonist's license is exceeded when an allusion by E. W. Beatty or anybody else to C.N.R. deficits is likened to a false cry of "Wolf, wolf!" The cost of the national system annually to the people of Canada, over and above its charges for services, cannot be laughed off. It is greater than this country can afford, and it is not being cut sufficiently by present co-operative methods.

In the Mail

Canada's National Ports

Editor, The Financial Post,

I was very interested to read the editorial in your issue of November 17, regarding developments and aspirations of the Port of Portland.

A sympathetic understanding by all the different parts of the Dominion of the particular problems of each part is so necessary for the successful solution of those problems that the words of your editorial and the spirit which evidently prompted them were very welcome in Halifax, and especially so to the Harbor Commissioners.

It is a sign of a very healthy spirit in the life of the Dominion, if I may say so, that a journal of the standing of The Financial Post should take a broad constructive view of such an important part of our life as the proper co-relation of the transportation policy of the Dominion and the well-being of the national ports.

J. L. HETHERINGTON,
President, Halifax Harbor Commissioners

Halifax, Nov. 20, 1934.

Teck Hughes

Editor, The Financial Post:

I am delighted with your articles in your recent number, and I want to most earnestly commend and congratulate all of you, and David Thomas especially, for the clear, concise statement.

I am a heavy loser in Teck Hughes and have had stock since 1925, some of it at $11.

A new board, majority Canadians, should be elected. It is simply a waste of time to go to the annual meeting or ask questions. They tell nothing. But they get the gentlemen in the front row to rise and encourage them.

Again thanks for your exposure. I am behind you.

W. W. McKINLEY,
Toronto, November 8, 1934.

Talking and Investing

Calgary Herald

Alberta investors in Central Bank stock represent nearly all shades of political opinion. Even supporters of radical monetary policies recognize a good investment when they see one.

"Stop Me If You Have Heard This One"

Sandy and Angus were all set for food and refreshments, but so far neither had ordered. Finally Sandy said, "Did I tell you about the big bull elephant that I shot in Africa years ago?"

"Proceed," ventured the cautious Angus.

"Well, the bull was coming toward me, so I ups my gun and shot him in the 'yours.'"

"What's yours?" asked Angus.

"A whisky 'n' soda for mine," said Sandy.

Individual Investment Requirements

No two persons have quite the same circumstances or obligations to consider in managing their investment affairs. It is the aim of this organization to make such investment suggestions as will best suit the specific requirements of individual clients.

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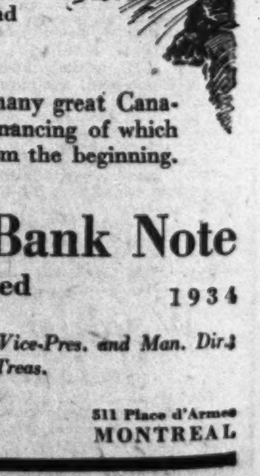

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The Week in Business

Business Gains Continue

COMPLETE figures for October show that, rather than the small decline in business indicated by preliminary compilation, there was actually a slight expansion in business volume, as measured by The Financial Post business index. Only the Maritimes showed any marked decline in October, regional indices reveal. Quebec and British Columbia made the most important advances. In both these latter provinces heavier volume of new construction was the leading cause of the improvement.

As far as can be judged at this time from preliminary employment returns and by construction, the October level has been maintained in November. Automobile plants are preparing for production of 1935 models and this is reflected in activity in iron and steel plants. Slightly higher operating schedules are reported by some manufacturing concerns such as furniture and radio, offsetting declines in employment in food factories.

* * *

Importing Direct

DURING the past year or so, an important change in the method of importing raw rubber has taken place in Canada. Raw rubber, formerly almost entirely imported via the United States, is now being shipped direct to Atlantic ports for Canadian manufacturers. Chief benefit in this new method has gone to Halifax. On December 5, for example, the S.S. Silverteak is due to arrive in Halifax with approximately 500 tons of crude rubber for the Goodyear Tire & Rubber Co., Toronto.

According to the report of the Halifax Harbor Commission, handling of this cargo will mean many thousands of dollars to Halifax dock workers and Canadian railway employees. The Commission states that every effort is being made to handle this traffic expeditiously and efficiently in order to encourage other importers of raw materials to assist in creating domestic purchasing power by holding as much as possible of their transportation dollar in Canada.

* * *

Plan Food Code

FOLLOWING the lead given by the paint manufacturers, a movement has been organized by Canadian food manufacturers to form an association with a code of ethics as the main object in view. Through the organization—which, when completed, will be known as the Dominion Food Association—it is hoped to establish more or less uniform trade customs, fair competitive conditions and the promotion of friendly relations.

The need in the industry for proper cost accounting methods is stressed in the organization statement of the association. It is pointed out that such a system is necessary so that each manufacturer will know the exact cost of production and be in a position to deal fairly with the public and himself.

To secure membership in the new association, it is proposed that any firm making food in Canada may be eligible. Division groups are also planned. Regular quarterly meetings are suggested and the members will be requested to have printed on the labels or containers of merchandise the following words: "The contents of this package comply, in every respect, with the requirements of the D. F. A."

Commodity Prices

ALTHOUGH weakness continues in the wheat markets on this continent, greater speculative interest is being noted in other commodity markets, with the result that the general price trend has been upward during the past week.

Strength in Liverpool failed to hold Winnipeg wheat prices, the Chicago dip being followed. Export demand remains spotty and small in volume.

	Latest week	Previous week	Same week last yr.
Cattle, cwt.	$5.00	$5.25	$5.10
Copper, lb.	.09	.09	.0825
Cotton, lb.	.1255	.1255	.1010
Rubber, lb.	.1294	.1288	.0906
Sugar, raw, lb.	.0308½	.0292	.0315
Silk, lb.	1.31	1.27½	1.40
Wheat (Man.) bu.	.79⅛	.80¼	.60¾
Coffee, lb.	.09¼	.09⅜	.07⅝
Hogs	8.65	8.50	7.20
Weekly Indices			
N. Y. Annalist	116.6	116.5	104.5
Fishers'	78.9	79.0	†63.6
N. Y. Journal of Comm.	76.3	76.1	71.1
Crumps (Brit.)	64.0	64.0	†63.4
U. S. Labor	76.0	76.2	71.2
Canada (D.B.S.)	71.2	71.3	...

† Average, 1933.

Monthly Indices	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.)			
Retail (Oct.)	79.3	79.0	77.6
W'sale (Oct.)	71.4	72.0	67.9
U. S. Labor (Sept.)	77.6	76.4	70.8
Gt. Brit. (Sept.)	71.0	71.2	69.5

Note: Indices on all base 1926 = 100, except N. Y. Annalist which is 1913 = 100. British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis: hides—heavy native steers; coffee—Rio No. 7, spot, New York; hogs—select bacons, Toronto.

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Business Conditions in Canada

Business Gains In October Confined To B. C., Quebec

Slight Declines Recorded in Prairies and Ontario, Greater One in Maritimes, By The Financial Post Indices

By SYDNEY B. SMITH

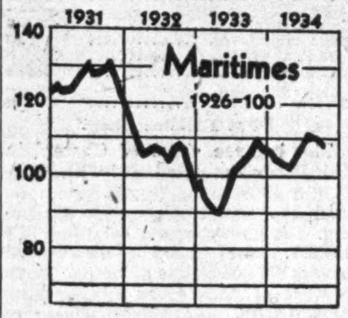
Regional indices for the five economic areas were well maintained in October, compared with the preceding month, except in the Maritime provinces. The Maritime index dropped more than two points, while Quebec and British Columbia recorded slight gains. The recession in Ontario and the Prairie provinces was of a moderate character.

Construction contract awards showed adjusted gains in Ontario and the Prairie provinces. Building permits were up after adjustment in each of the areas, but the level remained extremely low. Adjusted gains in electric power production were shown in Quebec and Ontario. Working forces were greater in the Maritimes, Quebec and British Columbia, the gain in the Maritimes being of considerable proportions. Bank debits recorded adjusted advances in Quebec, Ontario and British Columbia. Sales of life insurance were greater in the Maritimes and in the Western areas.

Some Gains Recorded

Maritimes—Five of the nine factors used to indicate the trend of business in the Maritime provinces recorded gains in October over the preceding month, but the heavier weight of those that declined reduced the index to 108.2 from 110.4 in the previous month.

The adjusted index of employment in industrial pursuits was up 6 per cent, a marked gain for the month. The increase in life insurance sales was nearly 7 per cent. Exports through Maritime ports gained 11.5 per cent and the tonnage of vessels cleared from Halifax and Saint John was up 19.5 per cent.



Construction Quiet

New business obtained by the construction industry was at a low ebb. Electric output increased less than normal for the season, and the adjusted index of bank debits reached a lower point. A slight decline was shown in merchandise imports.

The industrial area in the vicinity of Sydney continued active, 8,000 employees being engaged in the collieries of the Dominion Coal Co. at Glace Bay. The Dominion Iron and Steel Co. at Sydney had an average force of 2,681 on the pay rolls. Seven open hearth furnaces and one blast furnace are now in operation.

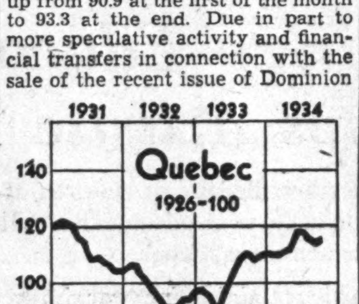
Electric Power Gains

Quebec — Conditions improved slightly in Quebec during October, a majority of the factors indicating the trend of business activity advancing.

The adjusted output of electric power showed a gain of 6 per cent, the total amount having been 1,009,596,000 kw.h., compared with 852,236,000. The consumption obtained by deducting exports and deliveries to boilers was 777,796,000 kw.h. against 646,469,000 in September and 638,749,000 in the same month of last year.

Employment Higher

The principal employers of Quebec added to their working forces, contrary to seasonal tendencies. The adjusted index consequently moved up from 90.9 at the first of the month to 93.3 at the end. Due in part to more speculative activity and financial transfers in connection with the sale of the recent issue of Dominion Government bonds, bank debits recorded a substantial gain in October. The index moved up from 93.4 to 100.2, a gain of 7.2 per cent.



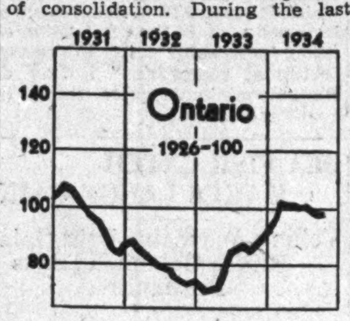
The consumers' goods industries such as boots and shoes and cotton textiles were not quite so active in the latest month. Employment in textile mills declined after seasonal adjustment and the imports of raw cotton showed recession in October. In the production of newsprint, the story was quite different. The index moved up from 129 to 145, a gain of 12.4 per cent. A considerable increase was shown in external demand, especially in the United States, ostensibly due to the general election held in the early part of November.

New business obtained by the construction industry was at a low level, and the sales of life insurance met with a reversal.

The business index for Quebec was 114.7 compared with 114.4.

Consolidation in Ontario

Ontario — Conditions in Ontario showed marked betterment during the year ended March last, and since that time there has been a process of consolidation. During the last eight months the trend, in fact, has shown slight recession, a condition which was extended in October, when the index receded from 98.7 to 98.2.



The new business obtained by the construction industry held out some hopes of improvement in a logging industry. Contract awards were $6,361,000 compared with $3,306,000 in September, and the gain in building permits was greater than normal for the season. The adjusted increase in the output of electric power was 2.5 per cent. The power available for use after deduction of exports and deliveries to electric boilers was 642,430,000 k.w.h. compared with 572,792,000 in September and 547,305,000 in the same month of last year. These statistics reflect marked gain in the use of power in the province.

The number of employed showed reduction contrary to seasonal tendencies, the adjusted index being 98.8 compared with 100.7.

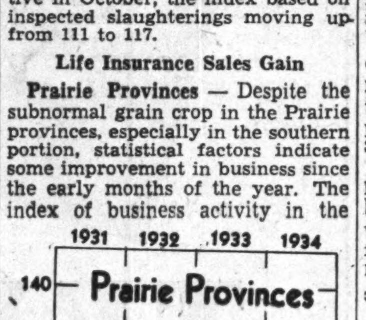
Meat Packers Active

The increase in bank debits denoted marked expansion in financial transfers. The adjusted gain was no less than 13.6 per cent, the index moving up from 126 to 143.6. Sales of life insurance were nearly maintained after seasonal adjustment.

While steel production gained less than normal for the season, the output of pig iron was in the black. The automobile industry is passing through a quiet period, showing decline even after seasonal adjustment. The meat packing industry was active in October, the index based on inspected slaughterings moving up from 111 to 117.

Life Insurance Sales Gain

Prairie Provinces — Despite the subnormal grain crop in the Prairie provinces, especially in the southern portion, statistical factors indicate some improvement in business since the early months of the year. The index of business activity in the area, however, dropped off about half a point in October to 115.2.



After seasonal adjustment construction contracts and building permits made a better showing in October, but the inactivity in this line continues to be characteristic of the period. The production of electric power was down after seasonal adjustment from the high level of the preceding month. The adjusted index of employment was 90.6 compared with 91.5. The gain in bank debits was less than normal for the season.

Sales of life insurance were $4,659,000 compared with $3,274,000, the adjusted gain being 22.5 per cent.

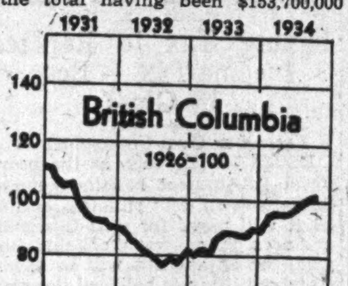
Wheat Receipts Lower

The decline in wheat receipts at country elevators was less than normal for the season, the total having been 50,815,000 bushels compared with 55,585,000 in September. The seasonally adjusted index at 73.8 compared with 57.4 showed a gain of 28.5 per cent. The index of the price of wheat was 54.5 compared with 57.4. The cash price of No. 1 Northern wheat averaged 78.1 cents per bushel compared with 82.3 in September.

Further Gains in B.C.

British Columbia—The advance in business conditions in British Columbia extending from the later months of 1932 to the present, has been of a relatively moderate but well sustained character. The trend was further extended by a gain in October, the index moving up from 101.5 to 101.8.

The gains in October included an addition to the working forces of the prinicipal employers. The adjusted index of employment was 90.9 compared with 90.3. Bank debits moved up more than 11 per cent, the total having been $153,700,000 compared with $123,000,000. The adjusted gain in sales of life insurance amounted to 13.5 per cent.



External trade through British Columbia ports made an excellent showing. Exports and imports were up 6 per cent, and 9 per cent respectively, while the tonnage of vessels cleared from Vancouver recorded a gain of 5.9 per cent.

HEAVIER OUTPUT PRIMARY GOODS SEEN IN OCTOBER

Offset Decline in Food Manufacturing — Boost Index

Final returns placed a slightly better interpretation upon the trend of business operations in October. The Financial Post index was 99.0 compared with 98.9, contrasting with the slight decline indicated by preliminary calculations.

Mineral production was one of the bright spots in October. The net result was that the index of mineral production was 142 compared with 133 in September.

Manufacturing Quieter

The story of manufacturing production does not make reading of so interesting a character, although expansion was shown in a considerable number of factors. Gains in sugar production and slaughterings were offset by a decline in flour production, the net result being a decline from 100.8 to 96.6 in the index of food production.

Tobacco releases were in greater volume, the ten months cumulative total for cigarettes being up about 12 per cent. Textile imports were at a lower level than in September. The forestry industry expanded again in October, while the export of lumber was up 41 per cent.

Auto Output Low

Adjusted declines were shown in automobile production and in crude petroleum imports during October compared with September. The index of electric power production moved up from 163 to 170 in October compared with September.

The distribution group moved up one point in the index to 97.2 in October. Bank debits or cheques cashed against individual accounts at the 32 clearing house centres made a better showing than indicated by the trend of bank clearings. The index of bank debits after adjustment for seasonal tendencies and price changes was 144.9 in October compared with 134.9 in the preceding month.

The level of employment in Canadian industry other than agriculture was higher, adjustment being made for seasonal tendencies, than in any other month since the beginning of 1932, with the single exception of March of the present year. The adjusted index was 97.0 on the first of November compared with 96.2 on October 1.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Signals and Signs Limited recently commenced manufacturing operations in Vancouver. Products include highway protective signals and Neon illuminated signs. R. E. Barker is president and J. P. Barlow, general manager. Exclusive rights for Canada for Magnetic Flasher Company products have been obtained, according to the Vancouver Board of Trade.

Sherwood Porcelain Co. plans to establish a plant in Hamilton for the manufacture of low-tension insulators. About 25 people would be employed, according to The Hamilton Spectator.

Hull is seeking authority from the provincial government to guarantee bonds of an American cotton firm which wishes to establish there. The factory would cost $600,000 and employ about 2,000 persons, it is stated.

Business Briefs

Failures in the week ended November 17 numbered 36 as compared with 38 in the corresponding week of 1933.

Steel Ingot production in October totalled 57,975 tons as against 57,489 tons in the previous month and 48,496 tons in October, 1933.

Car Loadings in the week ended Nov. 17 numbered 50,264 as against 51,228 for the previous week and 47,420 in the corresponding week last year.

Business Indicators Of Canada . . . Compiled by The Financial Post

▲ Denotes new figures this week.

	Weekly Data — Latest 1934	1933	Cumulative Total Jan. 1 to date 1934	1933
Transportation—				
Car loadings (Nov. 17)	▲50,264	47,420	2,069,440	1,801,678
C.P.R. gross earn. (Nov. 21)	$ ▲2,616,000	$ 2,388,000	$ 111,504,000	$ 99,210,000
C.N.R. gross earn. (Nov. 21)	$ ▲3,155,362	$ 3,002,091	$ 147,078,221	$ 127,668,837
Business Conditions—				
Weekly index D.B.S. (Nov. 17)	▲95.5	93.5	....	....
Business failures (No.) (Nov. 17)	▲36	38	1,276	1,934
MONTHLY DATA				
Business Conditions—				
Financial Post index* (Oct.)	▲99.0	91.3	....	....
Transportation—				
C.P.R. net earnings (Sept.)	$ 3,033,580	$ 3,003,328	$ 13,670,107	$ 9,971,451
C.N.R. net revenue (Sept.)	$ 2,010,244	$ 2,058,358	$ 7,142,505	$ 907,373
Iron and Steel (October)—				
Pig iron production (tons)	▲46,573	27,002	325,663	160,872
Steel ingot prod. (tons)	▲57,975	48,496	643,137	315,325
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (September)	3,017	2,722	56,237	36,173
Factory output (October)	▲2,125	2,723	89,152	50,181
Trucks and Buses:				
Domestic sales* (September)	923	719	9,790	4,775
Factory output (October)	▲1,655	959	23,309	10,190
Exports (October)	▲2,704	2,766	43,389	18,711
Construction—				
Building permits (October)	$ 2,721,919	$ 1,775,052	$ 21,745,919	$ 18,169,066
Contracts awarded (Oct.)	$ 11,152,700	$ 15,014,300	$ 109,297,800	$ 78,445,000
Newsprint (tons)—				
Production (October)	235,021	191,452	2,117,228	1,640,004
Exports (October)	▲204,904	171,946	1,932,825	1,490,170
Sugar (lbs.)—				
Melting & shipments§	▲88,258,195	65,532,210	689,342,405	638,110,234
Manufactured§	▲126,421,593	112,533,399	713,483,860	685,908,267
Flour (bbls.)—				
Production (September)	1,383,205	1,392,683	10,338,837	10,401,681
Wheat flour exports (Oct.)	485,549	514,368	4,208,597	4,604,639
Trade (October)—				
Imports	$ 47,228,804	$ 41,070,259	$ 424,478,096	$ 322,135,199
Exports	$ 67,747,809	$ 60,488,729	$ 526,911,945	$ 420,436,533
Wheat exports (bush.) (Oct.)	21,807,784	23,611,510	131,807,089	151,672,940
Employment (Nov. 1) D.B.S. Index—				
All industries	▲97.0	88.4	....	....
Manufacturing	▲91.0	85.6	....	....
Electric Power Output (October)—				
Total monthly (000's omitted)	▲1,853,388	1,617,608	17,135,312	14,142,752
Aver. daily	▲59,787,000	52,181,000	....	....
Other Industrial Indices—				
Lumbering:				
Plank & board exports mill (October)	122,849	117,400	1,146,802	815,560
Boot & shoe prod., pr. (Sept.)	1,704,677	2,035,525	14,223,517	15,071,463
Crude petrol. imp. gal. (Sept.)	118,210,821	108,097,228	792,997,113	605,947,117
Cotton imports, lbs (Sept.)	7,669,000	7,409,000	94,108,000	68,549,000
Raw rubber imp., lbs. (Sept.)	6,205,577	5,868,575	46,991,664	28,639,451
Coal imports, tons (Oct.)	▲1,560,763	1,204,927	11,363,801	9,139,725
Finance—				
Bank debits† (September)	$ 2,580,851	$ 2,457,108	$ 23,324,418	$ 21,828,717
Bond sales (October)	$ 271,227,944	$ 226,055,547	$ 597,181,733	$ 525,348,096
Life insurance sales (Oct.)	$ 31,342,000	$ 33,434,000	$ 308,160,000	$ 309,198,000
Automobile Financing—				
Used cars (September)	$ 1,040,121	$ 764,400	$ 11,150,535	$ 8,491,244
New cars (September)	$ 1,352,349	$ 836,969	$ 14,383,683	$ 8,573,464

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to November 3. *Final.

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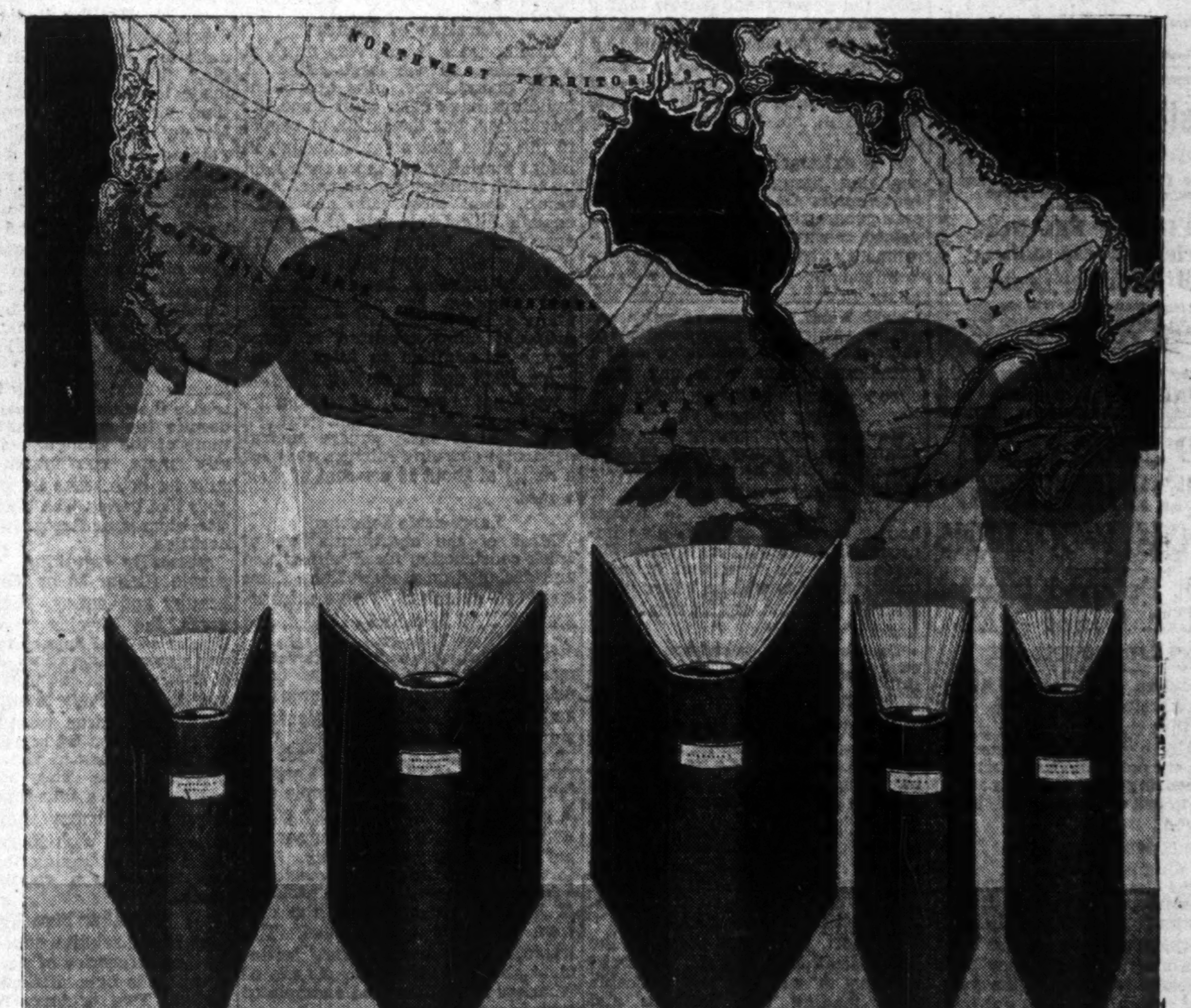

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More Christmas Trees

The movement of Christmas trees from Nova Scotia for the American market, this season, is expected to exceed that of last year. Upward of 35 carloads will be shipped from Dominion Atlantic territory, compared with 22 cars last year.

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ROOSEVELT TRUCE HAS GOOD EFFECT ON U. S. BUSINESS

Willingness to Co-operate With Financiers Seen in Recent Moves

From Our Own Correspondent

WASHINGTON, D.C.—The truce declared between President F. D. Roosevelt and business and financial leaders of the United States continues to exert an uplifting effect in all lines of industry. Significance of the administration's altered attitude is strikingly evidenced in the following brief review of events for the past week:

The President has not only warned state governors that federal relief is going to be reduced in the future but is already taking active steps to force the states to progressively assume more of the burden which has been running over $110,000,000 a month.

In turn, a number of the states are proceeding to cut down direct relief and compel able-bodied recipients to take whatever work is available.

South Benefits

The federal government has revoked the rule made by Harry Hopkins, federal relief administrator, for a uniform relief work wage of 30 cents an hour. Hereafter, on federal relief work jobs, the wage for common labor will be the same as the wage paid for this type of labor in the local communities. It is especially important to the south where so many colored laborers have been receiving relief wages higher than the going standard.

Donald B. Richberg, federal coordinator of all recovery agencies, has taken occasion to repeat that the government is resolutely opposed to control of production and to price-fixing, either by itself or by private industry. He has indicated that the revised N.R.A. programme to be presented to Congress in January will provide for simple, flexible codes, allowing industry more self-government in the exchange of information to agree on fair trade practices to eliminate "below cost" competition. This, the new N.R.A. board holds, is not price-fixing in the accepted sense.

The Home Owners' Loan Corporation having announced that all pressing emergencies have been met in the loaning of nearly $2,000,000,000 of federal funds to refinance home mortgages, made immediately due through the closing of banks in 1933, the government is now taking steps to induce private agencies to handle the 1,000,000 applications still pending. Under discussion is a plan to provide government insurance of such mortgages taken by private agencies at not to exceed 5½ per cent.

It is extremely significant of the changing thought in the country that Senator George W. Norris, veteran progressive from Nebraska, has voiced a warning against the government attempting a large scale unemployment insurance programme at the next session of Congress. Mr. Norris holds that the country has not yet sufficiently progressed out of the depression to undertake such a grandiose scheme with any good chance of making it successful.

Call for Reduced Wages

Equally significant is the plea uttered by Secretary of the Interior Harold L. Ickes, head of the $3,200,000,000 public works enterprise, to building trades unions to reduce hourly wages in order to give impetus to the lagging programme. Mr. Ickes takes the view that building trades unionists will be better off if assured full-time employment at a smaller wage rate.

The new N.R.A. board has retreated from the contest with Henry Ford initiated under the régime of Gen. Hugh S. Johnson. Mr. Ford has resolutely refused to sign the N.R.A. compliance requirements, and, under Mr. Johnson, the N.R.A. succeeded in having all government departments ban buying of Ford cars, even from dealers who had a Blue Eagle certificate. Now the department of the interior has commenced buying Ford trucks from dealers who hold compliance certificates and the N.R.A. has ruled these are sufficient.

In short, the whole trend of the administration at present is toward reaching a working and amicable understanding with business and industry.

BOND ISSUE PLAN TO BE SUBMITTED BY DOM. WOOLLENS

Default Deferred Interest Due Dec. 1, 1934 — Expect Improvement

Bondholders of Dominion Woollens & Worsteds Ltd., have been notified that the company deems it inadvisable to pay interest due Dec. 1, on the six per cent first mortgage bonds, bearing out The Financial Post's exclusive forecast of three weeks ago.

Two years ago, owing to unsatisfactory conditions, interest on these bonds was deferred until 1934 but was to commence again Dec. 1. The directors now propose submitting a plan of reorganization of the bond issue at a meeting which they hope to call before the end of the year. Details of such a plan have not been worked out yet, it is understood, except that they do not contemplate payment of any of the regular interest due.

Would Hit Working Capital

The company states in a letter to bondholders: "While the company's statement for the fiscal year ending June 30, shows the bond interest as having been earned during that year, the interest accruing since April has not been earned, and therefore to pay the interest due December 1 would seriously impair the working capital and operations of the company The directors feel it is in the interests of all concerned to avoid this impairment by not paying the interest."

Interest on the deferred interest due Dec. 1, is being paid, the directors announce. This will amount to $6.30 per $1,000 in bonds and covers the accrued bond interest which amounted to approximately $254,000 at the end of the last fiscal year. With the passing of the bond interest due Dec. 1, 1934, total amount of accrued interest to date will be over $300,000.

While there has been no actual improvement in business done by the company in the last two months, The Financial Post understands that the volume of new orders now on the books would indicate improved output in the immediate future. A year ago when prices of both raw wool and finished cloth rose rather spectacularly buyers purchased liberally in anticipation of still higher values, but ceased almost abruptly when the market turned the other way. As a result, it is stated, shelves of the company's customers were well loaded and it was not until late this fall that there was any indication that these extra supplies were being cleaned up. Now, however, it is believed that shelves are again getting empty and with a fairly stable market for wool and finished goods, increased purchases are expected.

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Russia Today

by ERIC G. ADAMS

Special Rewards Given to Best Among Workers—Prices High or Low According to Rouble Rate

A great many false impressions are formed about conditions in Russia simply through attempting to draw comparisons between things that cannot be compared.

I should like to comment on the practical impossibility of comparing wages and prices in the U.S.S.R. with those in other countries. The first difficulty is to decide upon the exchange rate to use in converting roubles to dollars. Having absolute control over imports, exports and the internal price level, the government can maintain any rate of exchange it pleases. The pre-war gold rouble was worth about 50 cents, and the Soviet government chose this value for the official exchange rate. Consequently, as the dollar declined in terms of gold, the official rouble price rose in terms of dollars, until a rate of around 1.12 roubles to the U. S. dollar was reached this summer.

High and Low Prices

To exchange money at this rate and buy things in Russia meant the paying of exorbitant prices. On the other hand, to figure exchange at the so-called "black" rate, leads to equally fallacious conclusions. Since roubles cannot be exchanged for foreign money legally and engineers leaving Russia cannot take any Russian currency out with them, and since Russians can buy things in Torgsin with foreign money that are not available elsewhere, there is always some demand to exchange roubles for foreign currency illegally at a rate far below the official one. This summer the "black" rate varied from 30 to 45 roubles to the dollar, depending upon how badly the person wanted foreign currency. To a foreigner, therefore, buying things with black roubles was ridiculously cheap.

A further complication is present, of course, in the fact that widely different prices apply in the different types of stores. And if we disregard exchange rates altogether, attempting to obtain a basis of comparison by expressing everything as percentages of a certain type of worker's salary, we still find ourselves in a morass for the Russian gets for nothing certain services and semi-necessities of living for which we have to pay.

Shortage of Homes

Living space is still very much at a premium in the large cities. A great many large, new apartment buildings have been built since the Revolution, but the influx of people to the cities and a rapid decline in infant mortality has more than kept up to the building programme. As a result, even those who are lucky enough to get into one of the new apartments, where conditions are immeasurably better than in the old workers' barracks, have rather limited quarters by our standards. Many of the apartments I visited in different cities consisted of three rooms in addition to kitchen, entrance hall and toilet. Usually five people, not always all of one family, lived in such an apartment, getting a minimum of nine square metres each (not counting kitchen, etc.) for a rental of about 10 per cent of their wages.

Large-scale Schemes

Most of the apartments are of brick construction faced with stucco and designed on modern lines. Care has been exercised to give a maximum of light to each apartment, and most of them have cross draught.

Some of these apartment developments are tremendous in size, comprising living quarters, kindergarten and nursery, medical dispensary, stores, and amusement places. One on the outskirts of Moscow, for instance, close to the factories where they work, houses 50,000 people and is so complete that a worker could live his life there if necessary without ever going into the city. This sort of decentralization seems to be a fairly good solution to the problem of keeping the centre of the city from becoming overcrowded. The tractor factory and workers' settlement about 10 kilometres outside of Kharkov is another good example of such decentralization.

Contrast in Living

The many old apartments still in use and some of the barracks in former slum districts provide a marked contrast to these bright, clean, new settlements. Not far from the Red Putilov works in Leningrad is a splendid example of the old and the new. Along both sides of Tractor Street have been built these new apartments in severe modern style with long, horizontal lines. Along one side of the alley which runs behind the new apartments, however, is a row of low, dark, wooden buildings literally falling to pieces, but still inhabited. I wondered whether the people in the new apartments spoke to their neighbors across the alley!

Social Services

It is in the field of social service (social welfare is the better term, for the Russians no longer do "social service work"), however, that the Soviets have possibly gone the farthest. Old age allowances are sufficient to allow the recipient to live comfortably, amounting to 50 to 75 per cent of the worker's income at the time of retirement. Safety devices and precautions in factories and mines are good. There are several interesting little museums scattered about the country in which is demonstrated the right way of doing many industrial operations from a health and safety standpoint, and carefully prepared exhibits show with horrible clarity the results of not doing these things. The progress made and methods used to combat and cure many of the so-called industrial diseases are also shown.

In Odessa, Yalta and other places on the Black Sea I saw many villas and palaces of the former nobility which are now being used as rest homes and sanatoria. Workers who need to be sent to such places to convalesce are taken care of free; others who wish to spend part of their holidays in these delightful southern resorts can do so for a nominal charge. Health service in the factories is all-inclusive, including dental service for workers and their families in some instances.

Nurseries and crèches are found in factories, farms, parks. In fact wherever two or three Russians are gathered together one seems to find a nursery. In these the working mother deposits her child in the morning with confidence that he will receive good care until she is ready to take him home again at night. And the children in such places are truly splendid, bright, healthy and for the most part extremely intelligent. Generally, nursery care is not free, but is provided for the working mothers at a very nominal cost.

In much the same manner kindergartens and schools are provided for the older children, but these are free, including a mid-day meal. At the present time schools in the large cities are so overcrowded that they run in two shifts. One shift closes about two o'clock in the afternoon, and the other runs from that time until the early evening. Workers' faculties are well attended by the workers desiring to increase their knowledge, and the higher technical schools and universities are always filled to capacity. Here ability is the open sesame. Tuition and even living expenses are free to capable students.

Healthy Bodies

So many people ask about that indefinite thing "the look of the people," that some attempt must be made to describe it. My first daytime view of the crowds on the Nevsky Prospekt reminded me of nothing so much as a street full of charwomen. After becoming accustomed to the full skirts and kerchiefs of the peasant women, and the Russian blouses and high boots of the men, however, one is able to pay more attention to the people themselves. The high boots, incidentally, struck me as being a little incongruous at a time when shoes are relatively scarce. Why not all wear shoes, and use the extra leather from the boot tops to increase the number of pairs of shoes, despite the spring mud? The costume of the younger people is usually more conventional, tailored suits for both sexes are popular. The girls like berets. The men wear Russian blouses, or European shirts with neckties.

Generally speaking, the young people (under 30 or 35) look both healthy and happy. Neither in the north, the Ukraine or around the Black Sea did I happen to run across any signs of starvation. As a matter of fact, most of the young people I saw had positively plump faces, and the little children were regular little roly-polies. Of some of the old people one sees in the streets, the reverse is true. They appear to be having rather a thin time of it, and are not very happy about it either. It makes one wish to generalize to the extent of saying that present-day Russia is a country for the youth.

"Another Five Years"

As to the relative condition of the various categories of people, generalization is both difficult and dangerous. Two or three middle-aged scientists I talked with in different parts of the country appear to be having the time of their lives. They are well treated materially, and the government gives them not only a free rein but also substantial assistance in carrying on their work. The same applied to the factory managers I saw. Besides being enthusiastic about their work and contented with their existence some had received special rewards for their activities. One had just been presented with a new streamline Chrysler by the government, and another had recently returned from a trip to America. Some foreign engineers I met admitted that they had to put up with considerable material discomfort now, but felt that the way things were improving they would have all the comforts of home and more in another five years.

Special Rewards

Common workers think that they are better off than before the Revolution. In theatres, in parks and everywhere workers gather in their free time there is a feeling of camaraderie in the air. Each sex accepts the other as its equal. The crowds in the theatres and parks in the evenings are particularly striking. They are well behaved, respectably dressed in rather better clothes than are seen on the street in the daytime, and obviously enjoying themselves. In the theatres (where the productions are good, by the way, and every seat filled) seats scattered all over the auditorium have little plaques on the back stating that they are reserved for shock workers from some factory or other. In the big opera houses the crest on the czar's box has been replaced with the hammer and sickle, and the box itself filled with workers deserving a special reward.

There is an air something akin to the zip and zest of the boom towns of our own west a couple of decades ago. The Reds interpret this as the result of the exhilaration the people are experiencing in truly working for themselves. The Whites, on the other hand, maintain that it is a characteristic of the Russians to be happy, and say that the young people who have come of age since the Revolution do not know any better than to be happy in their land as it is now. I include this to show the difference in interpretation which can be applied to the same phenomenon.

Editor's Note

Two weeks ago, Mr. Adams's article stated that "an electrical engineer I met on the train between Moscow and Leningrad received 150 roubles." This is given as his monthly salary. It should have read 750 roubles.

The Author

In this group of articles Mr. Adams tells about what he saw during a month in Russia this fall.

The author is a young Canadian, a McGill and Harvard Business School graduate, now secretary of the Newsprint Export Manufacturers Association of Canada.

No Communist, he has been a long distance student of Russia for many years and prepared himself for this trip, which he took with his wife, by studying the Russian language. He covered the Eastern European part of Russia from north to south by railway, airplane and motor car, passing twice through the Ukraine in different sections.

Mr. Adams has endeavored to present his impressions free from bias. Any opinions expressed are his own.

Substitute "Reasonable Cost" For N. R. A. Fixed Minimum

From Our Own Correspondent

WASHINGTON, D.C.—While vigorously repudiating the idea of fixing even minimum prices, the new N.R.A. board is now issuing what it terms "reasonable cost" orders for various industries. A good illustration are the latest orders issued covering charges for handling of coal in the retail coal industry for the Cleveland, Ohio, trade area.

These orders begin by stating that they constitute approval of "the lowest reasonable costs of handling coal" and that, "lowest reasonable costs are not minimum prices. The minimum retail price permissible with these schedules is the sum of these and other costs."

Sets Out Cost Schedule

The Cleveland order is typical. It states that the cost schedules are classified in customer groupings and that "all sales to customers in the commercial classification must include the costs determined for that classification. They follow: Domestic customers, $2.35 a ton; commercial customers, $1.35 a ton; industrial customers, $1.10 a ton, and relief coal, $1.75 a ton." This order then adds:

"The following service charges must be added to the above: For wheeling in, 35 cents a ton; carrying into bins, 50 cents a ton; for trimming in bins, 15 cents a ton; for credit on sales of steam coal, 15 cents a ton, and credit on sales of domestic coal, 25 cents a ton.

"The cost figures" this order says, "represent only the committee-determined lowest reasonable cost of the actual handling of the coal by retail dealers. As broken down by the committee for equipped dealers, they include yard, selling, delivery and administrative costs, plus degradation. They do not include any element of profit or return on capital investment."

Price Fixing Method

The minimum retail price permissible under the schedules must be obtained by totalling the current prevailing code-authorized mine prices plus freight plus the committee-determined lowest reasonable handling cost.

These orders are exceedingly important as indicating the methods which the new N.R.A. board has determined upon in the substitution of fixing "reasonable costs" to prevent "cutthroat competition" instead of straight minimum price fixing in coded industries.

SASKATCHEWAN DEBT ADJUSTMENT MAY BE SOUGHT

Luxury Tax to Replace Income Tax — Beer by Glass

From Our Own Correspondent

REGINA.— As soon as the provincial government has the general Saskatchewan debt situation outlined it will move for an adjustment and not a postponement of debts. Just what the adjustment will be is not clear and it is not believed the government has yet any idea of what it may be able to do. So far the rural municipalities and school board debts have been tabulated.

Premier J. G. Gardiner has intimated in no uncertain terms that he was going to ask the federal government, no matter what political color it might be, to assume the debts of farmers in Saskatchewan's best wheat growing region in the south, on the basis of these debts having been assumed in times of national stress. These debts, now being estimated, date back to 1914, Mr. Gardiner contends. when national and provincial speakers toured the region and begged the farmers to grow more wheat to help out the Empire in time of war.

Plans Three Steps

The Speech from the Throne outlined three steps the government intends to take to improve the economic structure of the province. First the financial position of all governing bodies, agriculture and industries, also labor must be improved and stabilized. Second, the agricultural industry must be re-established and thirdly, the government must re-establish the position of the province in the eyes of the financial world.

The government is placing a great deal of faith in its capacity to do something after it gets its legislative mind around the entire debt situation. So far rural, village, town, municipal and school board debts are estimated in interim reports.

A tax survey on the basis of taxing where there is the ability to pay is under way also. The premier has announced a luxury tax and abolishment of the income tax which was imposed by the former government. The income tax will cease on incomes earned in 1935. During the four years in which this tax has existed the government will not have collected more than $1,500,000 all told.

Taxes and Beer

The luxury tax replacing it will not be welcomed but may prove less burdensome, to the city dwellers who have supplied income tax. A luxury tax would affect the entire adult population if put into effect but if Manitoba's experience is any precedent the Saskatchewan move may result in an outburst of resentment just as it did in Manitoba, where it was pigeon-holed.

The government has announced the beer-by-the-glass measure will become operative early in 1935. The Saskatchewan plan as far as can be ascertained will contain little more than the systems now operative in Alberta and Manitoba where beer parlors in licensed hotels have been operating for several years. Saskatchewan regulations will likely include draft beer at 10 cents for eight ounces and bottled beer at 10 cents for six ounces.

Announcement has been made that future issues of government bonds will be taxable within the province. Saskatchewan was one of the last provinces to make this move. Its immediate effect will be nil.

SEA FISH CATCH MAKES LARGE GAIN

Volume and Value Both Gain — British Columbia Leads Provinces

Notable increases in the production and value of Canada's sea fisheries have been recorded during the first nine months of this year as compared with last, according to preliminary figures recently published by the Dominion Department of Fisheries. Largest gain has taken place in British Columbia, production in that province being more than 50 per cent greater while value is one-third higher.

Total catch of all provinces amounted to 6,589,175 cwts., as compared with 5,374,830 cwts. in the same period of 1933. Landed value has increased from $9,869,820 to $12,995,435. Figures by provinces are:

Catch and Value of Fisheries
(Nine Mos. Ended Sept.)

	1934 Catch cwt.	1934 Landed Value $	1933 Catch cwt.	1933 Landed Value $
B.C.	2,513,588	5,979,731	1,650,168	4,486,764
N.S.	1,973,562	3,838,942	1,826,458	2,907,342
N.B.	1,110,620	1,547,803	1,091,508	1,295,279
Que.	794,006	1,003,477	610,647	754,560
P.E.I.	197,399	625,482	196,049	425,875
	6,589,175	12,995,435	5,374,830	9,869,820

Newfoundland Fish Catch Greater Than Last Year

Although accurate statistics of Newfoundland's fish catch are never available, the total being merely estimated from the exports of dried fish, indications this year point to a 1,300,000 to 1,400,000 quintal catch compared with approximately 1,100,000 quintals last year. Production of fish on the Labrador coast is estimated to be substantially above the 1933 total. The bank fishery has been the most successful for many seasons and, there is some reason to believe that there was more shore fish caught, despite the almost total failure in some sections.

The Commission of Government is now working on a plan to enable the compiling of accurate records of the annual catch but these will not be in effect until next year at the earliest.

CHRISTMAS NEWS

Talk about women as shoppers—men may not be fussy when they're shopping for themselves, but—are they fussy when someone else does it for them?

Christmas is coming—and that means Gifts for husbands, fathers, brothers, boy friends, and various other male relations. Breathes there a man (or woman, either) who doesn't take pride in possessing the finest in Golf Clubs, Badminton or Tennis Rackets, Fishing Tackle, Guns— in fact, any type of Sports Equipment? No! Then . . . go to Allcock, Laight and Westwood with your problems, or get their Catalogue.

They have any and every type of Sporting Goods that is dear to the masculine heart. We couldn't possibly begin to name them all, but this is sure . . . if you buy his gift at Allcock, Laight and Westwood's, you'll please him and thereby earn yourself a well deserved compliment.

So Shop at Ease—A. L. & W. Will Please.

THE ALLCOCK, LAIGHT & WESTWOOD CO. Limited
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CHAMPLAIN OIL SHOWS PROGRESS INITIAL REPORT

Surplus Reported After Payment of Dividends on Capital

From Our Own Correspondent

MONTREAL. — Champlain Oil Products' initial consolidated financial statement covering the period January 1, 1933 to July 31, 1934, shows a net income from operations of $627,952. This sum was not only sufficient to cover depreciation, reserve, income taxes, and preferred dividends, but permitted the payment of a dividend of 10 cents a share on the common stock and left a surplus of $114,554.

Following is a copy of the consolidated profit and loss and earned surplus statements for the nineteen months' period ending July 31, 1934:

	Jan. 1, 1933 to Jan. 31, 1934
Net income	$627,952
Less: Depreciation	108,006
Directors' fees	1,600
Income tax	85,000
Earned surplus	433,346
Less: Min. divds.	3,792
Pref. divds.	300,000
Com. divds.	15,000
Surplus	114,554

First Balance Sheet

The balance sheet of Champlain Oil Products, dated July 31, 1934, is the first to be issued since the company undertook public financing. It shows assets totalling $7,785,693. The issued share capital covers 500.000 shares of no par value preference stock, given a book value of $3,200,000, and 150,000 shares of no par value common stock with a book value of $1,600.000. These shares were issued in exchange for securities of subsidiary companies and cash. In addition, there is outstanding a minority interest in subsidiary companies of 1,256,000 redeemable preferred shares having a book value of $37,680.

Current liabilities of the company as at the end of last July amounted to $1,398,385, of which bank loans amounted to $62,500. Mortgages payable amount to $99,853 while deferred membership subscriptions in automobile associations total $50,220.

Value Contract Rights

The capital surplus arising from valuation of contract rights amounts to $1,200,000, less $350,000 which has been transferred to reserve for contingencies. The earned surplus amounts to $115,554.

Among the assets, current account is shown as having a value of $1,440,413, of which cash on hand amounts to $591,448. Accounts receivable, less reserve for doubtful accounts amount to $504,479, and stocks on hand, $307,813. Other current items total $13,672.

Mortgages receivable amount to $42,600, while deferred charges, largely organization expenses, amount to $83,911.

Property Worth $2,308,187

Property, plant and equipment of the company are carried on the books at cost, at a cost of $2,798,040, against which a reserve for depreciation of $489,852 has been set up, leaving a net figure of $2,308,187.

Goodwill, contract rights and trademarks are given a book value of $3,910,581.

International Paints to Postpone Annual Meet

From Our Own Correspondent

MONTREAL.—The sixth annual general meeting of International Paints (Canada) Ltd. will be held at the head office of the company in Montreal on December 15 next. This meeting will be adjourned to January 15th, 1935, at the same place.

TEXCRAFT
—the ideal Christmas Gift for Boys and Girls

Diverting—Educational Develops Artistic Talent

TEXCRAFT as a worth-while gift to children at a reasonable cost has everything needed to make your gift one that will be keenly appreciated by the young recipients and their friends.

Parents! Here is real artistic training for your children—and such good fun. TEXCRAFT is not just "another drawing set." It is something new. In it are included delightful sketches of circus clowns, of Cinderella, Dutch Girl, Cowboy, Mexican Boy, Little Bo-Peep, Interior scenes, Windmills, Japanese Girl, Indian Boy, etc., etc.—24 of these.

Ten big colored crayons enable any boy or girl, with the aid of TEXCRAFT embossed pattern cards, to color the costumes of the various characters, try their hands at interior decorating; paint landscapes—there is practically no limit to TEXCRAFT'S use.

Colors Leap Like Magic at the Crayon's Touch

Above is sketched a TEXCRAFT design with pattern card beneath on which a child is bringing out the pattern in the girl's dress— these patterns and colors literally leap to life at the crayon's touch. Children master TEXCRAFT in minutes yet never tire of it. TEXCRAFT comes in a strong box, 16 in. by 12½ in., with a richly colored cover. It makes an ideal Christmas gift. See TEXCRAFT at your local stores, but, if unable to locate it, write for name of nearest dealer or, enclose a money order for $1.15 and a set will be mailed, post paid, to any address in Canada.

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Your Investments

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Calgary Power

I have been asked by a broker to switch my present holdings of Calgary Power bonds into those of another utility. The broker tells me that the Calgary Power contract with the City of Calgary expires in 1938 and that another very important one expires in 1940, thus making the future of Calgary Power uncertain. Would you please let me have your opinion on this exchange?

Your informant on the position of Calgary Power apparently is not overly familiar with the situation. The Calgary Power Co. contracted to supply the city of Calgary with wholesale power up to 1940. The contract does not expire in 1938 as you have been told. The confusion probably arises from the fact that Calgary Power Co. supplies power wholesale to a subsidiary, Calgary Water Power Co., which has a perpetual franchise to sell power retail in the City of Calgary. This subsidiary can be purchased by the City of Calgary in 1938. This condition was known by Calgary Power when it purchased the company.

The situation in regard to the supply of electricity to towns outside the City of Calgary should not cause uneasiness in respect to the position of the company. Calgary Power purchased the plant and distribution system of a large number of the small towns. In return, it secured ten-year contracts to supply the municipalities with power. These steam plants have been closed down or dismantled and hydro-electric energy brought in from Calgary Power's main plant west of Calgary. If, at the end of the ten-year period, one or more of the municipalities decide to re-enter the utility business, they would have to construct new plants and put in distribution lines, at a cost to the consumer beyond what is now being paid.

Interprovincial Brick

Has there been any change for the better in the affairs of Interprovincial Brick Co.? I hold some of the preferred stock of this organization.

Interprovincial Brick preferred seems to be in a rather weak position. The company has reported operating losses for the last three years and has not been able to show anything in the way of earnings on the Class B stock for several years and with the exception of 1928, has not shown any earnings on the Class A preferred for some time. The financial position of the company is only fair and until such time as there is a revival of building activity in the Montreal area, it is not expected the company will be able to do anything for its preferred shareholders.

Charles Gurd

I desire information on the stock of Charles Gurd and Co., making carbonated beverages. Would you kindly let me have information to guide me in forming my opinion on the stock of this company?

Charles Gurd and Co., has experienced difficult marketing conditions since 1931, with the result that net earnings have dropped to a fraction of what they were previous to that time. In 1932 and 1933 net earnings averaged about $20,000 annually, compared with an average of nearly $200,000 in the previous four years. For the first six months of 1934, the company officially reports that business showed an improvement over the corresponding period of 1933. Competition was not so keen and a portion of the price-cutting was eliminated. The hope of a return to normal earning power during the current year cannot be considered promising. Until conditions in the carbonated beverage field are more stabilized, it is difficult to give you an opinion on the long-term outlook for the company. As regards finances of the company, the last balance sheet, dated December 31, 1933, showed the company to be in a satisfactory position. The ratio between current assets and current liabilities was approximately 13 to 1, while the net working capital amounted to $277,601. This was somewhat better than that reported in the previous year. Thus from the financial point of view, the company's position is satisfactory, but earning power is not particularly impressive at this time.

Fraser Companies

Among my investments are some bonds of Fraser Companies. I note that these securities have appreciated in value and have taken this to mean that the company has improved its position. Is this right?

Fraser Companies' operations and earnings have undergone an improvement this year, resulting in an increase in the market value of its securities. Pulp operations of the company have been profitable this year and the pulp plant has been operating at capacity. Lumber operations have also been more profitable, due to an increase in export demand from the United Kingdom, together with rising prices. On the whole, for the year 1934, the report is expected to be one of the best the company has produced in the last two or three years.

Canada Permanent

Would like information regarding Canada Permanent debentures and also the common stock of the company.

Canada Permanent Mortgage Corp. is one of the oldest and strongest companies of this kind, with a history going back to 1855. Total liabilities to the public, including approximately $11,700,000 in debentures sterling, $28,090,000 in other debentures and $14,660,000 in deposits, amount to $56,143,000. Total assets against these liabilities are over $70,770,000 of which the biggest single item is mortgages on real estate which amounts to over $52,000,000 although about $10,000,000 is also invested in government and other high grade bonds. Recently the interest rate on new debentures issued has been reduced in keeping with the reduction of interest rates on all types of bonds and bank savings.

For the year ended Dec. 31, 1933, Canada Permanent common earned $10.43 per share as against $12.69 per share in 1932. For many years, previous to 1933, annual dividend on these shares was $12 but this has been reduced to $8 in keeping with lower earnings. In 1933, after deducting interest on borrowed capital, expenses, management, etc., paying all taxes, and providing for possible losses and contingencies, the company had a net profit of approximately $730,000 as against $880,560 in 1932. When dividends had been deducted in 1933, there was a surplus of $65,000 which was added to the previous surplus of practically $534,000. Future earnings of companies of this nature will largely, of course, depend upon interest rates and the trend of the latter in recent years has been distinctly downward.

Blue Ribbon Corp.

Would appreciate your opinion regarding Blue Ribbon Corp. I noticed in your paper that this company had been released from all liability under agreement with Willards preferred shareholders of Nov. 7, 1931. Since Dec., 1933 Blue Ribbon is free from paying dividends to Willards preferred but is this agreement permanent?

Blue Ribbon Corp., we understand, was released permanently from all dividend liabilities under the agreement with Willards preferred shareholders, but the agreement to purchase Willards common stock at $15 per share on or before April 15, 1935, remains unchanged. Most of this common stock, we are informed, has already been deposited with the National Trust Co. Blue Ribbon Corp., however, reserves the right to terminate the agreement if the sum of $257,493.66, being a portion of the mortgage in favor of the Prudential Assurance Co. Ltd., and payable by Willards Chocolates, from the proceeds of the sale of that company's plant to Carruthers-Silverwood Dairy Ltd., is not paid on or before March 1, 1935. This plant, was sold by Willards to Silverwoods on the installment plan. Installments to date have been paid and the final payment as above is due next March.

Just how the purchase of these Willard common shares will affect the Blue Ribbon Corp. is another matter. The number of shares outstanding is 15,001, which at $15 per share would amount to approximately $225,000. This amount was shown as a contingent liability in the Blue Ribbon balance sheet covering the fiscal year ended June 30, 1934. At that time, the company reported a total of $1,220,573 in current assets of which approximately $110,000 was in cash on hand, $296,000 in accounts receivable and $814,000 in inventory. Against this were current liabilities of $308,469 of which bank advances accounted for about $163,000, and accounts payable $145,000. This left working capital approximately $912,000 which was a little higher than the year before.

The most significant change in the 1934 balance sheet from that of 1933 was the increase in cash on hand from around $28,000 to $110,000 which step might be in preparation for the purchase of the Willard common shares. Blue Ribbon, in the year ended June 30, 1934, had a net profit of $75,259 as against $70,510 in 1933. After dividends on the preferred stock there was transferred to surplus $16,164 which brought the accumulated surplus up to $71,875.

McColl-Frontenac

Would you be good enough to let me have a brief report on McColl-Frontenac Oil Co.'s common stock? I would like to know how this company is getting along.

McColl-Frontenac Oil Co.'s earning power has been consistently maintained in the last three years. Its earnings currently are reported to be on a basis comparing favorably with that reported in the past fiscal year, indicating that the dividend on the common stock is being earned.

Since the merger of the old Frontenac Oil Co. with McColl Bros., the consolidated unit has expanded at a rapid rate. The growth recently has not been so pronounced, the management devoting its attention to consolidating operations. The demand for the company's products would appear to be steadily increasing, judging by the fact that the company had recently completed the enlargement of the productive capacity of the Montreal East refinery.

Soo Bonds

We note that Minneapolis, St. Paul and Sault Ste. Marie four per cent first consolidated mortgage bonds are guaranteed as to interest by Canadian Pacific Railway. The bonds, however, are quoted in New York around 34½, which leads us to believe they will not be paid off at maturity. We would appreciate further particulars as to the continuance of the Canadian Pacific Railway interest guarantee, should this railway default on payment of principal.

We cannot give you a definite opinion as to what the Canadian Pacific Railway would do in the event of the Minneapolis, St. Paul and Sault Ste. Marie defaulting on its first consolidated mortgage bonds due July 1, 1938. We incline to the view that the guarantee expires on the maturity date. We do not see how the Canadian Pacific Railway would have any further liability in connection with this guarantee beyond July 1, 1938. If the Soo line is unable to meet this obligation when due, it is possible that an arrangement might be made between the company and the bondholders whereby the maturity date could be extended. In order to protect its equity, the Canadian Pacific Railway might agree to continue guaranteeing the interest. Such a situation is purely hypothetical and it is impossible to say what the Canadian Pacific Railway might do in the event of default on the Soo's first consolidated mortgage bonds.

Gatineau Power

Will you please let me have a report on the Gatineau Power Co.? I hold some of this company's first mortgage bonds and am wondering if developments this year have been of a favorable nature.

Gatineau Power Co.'s interim statement on earnings for the current year indicates that the company will have no difficulty in maintaining its obligations in respect to the five per cent first mortgage bonds. The position of this company, in so far as earnings are concerned, would appear to have been stabilized at or above the present level. Income reported is amply sufficient to take care of the interest on the first mortgage bonds, depreciation, interest on the debentures, as well as permitting the payment of dividends to the parent company, namely, Canadian Hydro-Electric Corp. For a long time these bonds were selling at a substantial discount, due in part to the uncertainty of the situation over the ability of Canadian International Paper Co. to fulfill its power contract. The position of the latter has improved, and, while the company is in a position to pay interest on its first mortgage bonds without the income from Canadian International Paper, the additional revenue secured from this source further strengthens the value of the bonds.

Abitibi Power & Paper

Would you favor me with a report of the present situation of Abitibi Power & Paper Co.? Information as to trends affecting the common and preferred stocks will be especially appreciated.

With the loss of the premium on American money the present uncertainty in the United States and the difficulty experienced in completing negotiations for getting rid of all old obligations for power and purchase of properties no longer wanted, Abitibi Power & Paper's prospects are still obscure.

There are some general factors which are not discouraging. Production is increasing somewhat. The immense over-productive capacity is not so evident now as a good deal of the higher cost capacity is not available for use under present conditions. A higher price would make an immense difference in the position of this as well as of other companies. Whether or not the higher price for 1935 deliveries quoted becomes general throughout the industry, it is the first gesture toward higher earnings and may prove in the end to have been significant.

International Power

As a regular reader for years of your fine paper, please advise, through your column, what International Power is using earnings for? What are these bank loans you mention in a recent issue of your paper?

In the period immediately prior to the depression, International Power Co.'s subsidiaries carried out an extensive expansion programme, involving an outlay of several million dollars. Some of these controlled companies, notably Porto Rico Power and Newfoundland Light and Power, were able to finance their expansion through the issuance of additional securities. The capital expenditures of other controlled companies were covered in part out of earnings and the balance by advances from International Power. To provide for these requirements International Power obtained temporary loans from its bankers, pending the marketing of additional securities of the company. With the collapse of the financial market, International Power was unable to carry out any public financing, with the result that it carried along on its books bank loans, which reached a high of $4,000,000 in 1930. In 1931 the company discontinued dividends on its first preferred stock and used surplus earnings to reduce its bank liabilities. The progress made by the company in reducing its bank loans is set forth herewith: 1930, $4,000,000; 1931, $3,500,000; no change in 1932; 1933, $2,796,000.

As regards the resumption of dividends on the first preferred stock, I. W. Killam, president, said in the 1933 annual report, that "before these payments can be resumed, it is necessary that the outstanding floating debt be funded by the sale of permanent securities. While the directors do not anticipate any immediate solution of this problem, nevertheless the improvement in the outlook for the earnings of your company and the very marked recovery which has taken place from the abnormally depressed conditions of the security markets generally make the outlook for the accomplishment of this financing brighter than at the time of my last report."

West. Savings & Loan

I have a certificate with Western Savings and Loan Association, Winnipeg, on which I agree to pay $4 monthly for a period of 168 months. I will have paid in by that time $672 and the certificate will be worth $1,000.

This looks like a very good return, but before putting more money in it would like to ascertain what the chances of the company are for continued success over a long term of years. It plans to reduce interest rate by about one-half per cent commencing Jan. 1.

At the end of the last fiscal year, Dec. 31, 1933. Western Savings & Loan Association had total assets of $505,084 against liabilities to certificate holders of $382,555. This gave the company a margin of surplus securities to certificate holders of $122,529.

Assets of the association consisted of $19,298 in cash, $186,191 in Dominion and provincial bonds with accrued interest, $291,669 in loans on security of first mortgages after deduction of reserve and $7,925 in loans on terminating certificates. On the basis of this statement, the company would appear to have a strong liquid position.

The success of the investment will depend in part upon your ability to maintain periodic payments over the contract period. It will also depend on the continued sound management of the company throughout the period.

Federal Grain Co.

I hold preferred stock in Federal Grain Ltd. Do present conditions indicate any early return of dividends?

No dividends have been paid by Federal Grain Ltd. since 1931. Dividend requirements have not been earned since but in the last two years there has been improvement, a net profit of $30,513 being reported for the fiscal year ended July 31, 1934, as against $15,695 in 1933. During the last fiscal year, the company earned 36 cents per share on its preferred stock.

At the company's annual meeting this year H. E. Sellers, president, stated that the amount of grain marketed during the year was much less than during the previous year and the volume handled by the company was consequently reduced. He added that unfortunately drought conditions which prevailed during the summer of 1934 had again reduced the Canadian crop so that there was not much expectation of handling a very large volume of grain during the current year. He stated, however, that encouraging progress had been made in bettering the company's working capital position but as large bank loans were required seasonally in the operation of the company, the directors did not feel that the time had yet arrived when a resumption of dividends could be considered. During 1934, the company increased its working capital from $429,000 in 1933 to almost $867,000.

Dominion Coal

Can you tell me what is doing in Dominion Coal preferred and whether it is likely to pay a dividend in the near future?

Our understanding is that a plan of arrangement has been made between the principal holders of the preferred stock and the management of Dominion Coal Co., whereby the arrears of dividends on the stock will be cleared up. At this time the arrears amount to approximately 70 per cent and the plan is said to call for the issuance of a new preferred stock carrying a coupon of 6 per cent, in the ratio of $200 to $100 of the old stock. The new stock, further, is to have a par value of $25 instead of the present par value of $100. Thus for one share of the old preferred stock carrying a coupon rate of 7 per cent, the holder is to receive 8 shares of a par value of $25 each, and carrying a 6 per cent coupon.

Burns & Co. Pref.

What is the position of the preferred stockholder in Burns & Co.? Has there been any recent improvement?

Although Burns & Co. Ltd. is now understood to be sharing in the general improvement in Canadian business, this company has only recently been reorganized following failure to pay interest and sinking fund payments on its bonds. Under the plan of reorganization naturally the interests of the bondholders come first and full interest will have to be paid on the $6,757,900 of first mortgage bonds before there will be anything for the preferred stockholders. So far this year, we understand, only slightly more than the interest on the bonds has been earned and it is by no means certain that the company will continue to do more than this for some time to come. A clause in the reorganization plan stipulates that until April 1, 1939, and thereafter until the company has met in full for two consecutive years all bond interest and sinking fund payments, the control of the company is vested in a majority of the holders of the five management shares. Three of these shares have been issued to a nominee of the bondholders, and one to a nominee of the holder of the six per cent preferred stock and one to a nominee of the holders of the common stock.

For the year ended Dec. 31, 1933, the company reported net earnings of $451,572 as compared with a loss of $26,698 in 1932. On the year's operations there was a net loss of $211,769 as compared with a loss of $651,323 in 1932. Accumulated losses from other years brought the total deficit at Dec. 31, 1933, up to $1,379,553. After depreciation, nothing has been earned on the preferred shares since 1929. In that year $7.04 was earned per share and $6 paid.

New Books

Fighting the Trusts

U. S. Scholar Reviews Our Combines Acts—Week's Crop of Economic Books

CANADIAN ANTI-TRUST LEGISLATION, by Dr. John A Ball, Jr., published by the William and Wilkinson Company, Baltimore at $2.

It has remained for an American scholar to produce the first adequate study of anti-trust legislation in Canada. Mr. Ball is an instructor in economics at the Catholic University of America and he has produced a very complete book.

He starts with the House of Commons' Committee of 1888, which investigated alleged combinations in trade and carries the reader through the legislation of 1889, the criminal code section, the Combines Investigation Act of 1910 and the present act, passed in 1923. The cases that have come up under all of the acts are dealt with thoroughly and the development of our legislative attempts to keep combines under control and to prevent them from exploiting the public unduly are well described with a thoroughness that makes the book one of no little value as a work of reference.

Mr. Ball's final conclusion is that the present Combines Investigation Act embodies in law "a successful experiment in business regulation." It is not the panacea for all the ills of competitive business yet undoubtedly, he declares, it can be considered a safe, sane, enforceable and effective statute. His viewpoint he enlarges upon in a final summary chapter which is bound to meet with some critical comments among Canadian students of the legislation. He says, for instance, that the result of the Famous Players trial was a complete vindication for the company for whatever injury may have been done by the publication of the commissioners' report. But it is well known that the commissioners' report in that case was a definite indictment of the company and to say that the failure of that indictment to be sustained in the courts, wiped out the injuries that had been done, is to overlook the fact that it takes a denial a very long time ever to catch up with the statement.

Mr. Ball quotes the statement made a little over a year ago by the Hon. W. A. Gordon, who was explaining why preliminary enquiries under the act were now carried on privately. Mr. Gordon said that if this enquiry found that no combine existed "then it would be highly improper that the business of any one be made known to his competitors and others." Obviously, Mr. Gordon was not speaking for the Hon. Harry H. Stevens.

Mr. Ball suggests that prosecutions be placed solely in the hands of the Dominion Government in order to avoid the delay and inconvenience of having the attorney-general of the provinces carry on prosecution. As the Dominion Government already has the right of carrying on a prosecution where the province does not take action, there would seem to be no real objection to this change of procedure.

Mr. Ball does not attempt to discuss at length the question why the Combines Investigation Act is practically a dormant piece of legislation in Canada, nor does he sufficiently play up the conflict between the philosophy of Mr. Stevens and the Royal Commission that he formerly headed, on the one hand, and anti-trust legislation, on the other. But despite the current unpopularity of the Combines Investigation Act, at the moment, it will undoubtedly again be a source of protection to Canadian consumers in the future, particularly when prices begin to rise, and it will continue to justify Mr. Ball's appraisal of it as an instrument "that has shown that it is possible to control detrimental combinations without imposing a hardship on efficiency and organization."

"THE EUROPEAN WAR DEBTS AND THEIR SETTLEMENT." by William Lloyd, published by the Committee for the Consideration of Inter-governmental Debts, published in Canada by McClelland & Stewart, Ltd., 215 Victoria Street, Toronto at $1.75.

On the back cover of the jacket of this book, there appear quotations from the writings or speeches of leading American publishers dealing with the problems of the war debt. It is significant that no one of these statements is dated later than August 22, 1932. The problem of the war debts has been almost forgotten by most Americans. Probably this is due to the general assumption that they will not be paid anyway and possibly to the fact that the Americans think they have more important problems to wrestle with. Apparently, Mr. Lloyd thinks that the debts should not be forgotten and he has written a forceful case for their radical revision downward. There is much useful information about the debts of the different countries, how they were incurred and what has been paid on account of them. But the volume suffers somewhat from serious non sequiturs and from some fairly specious reasoning. But if it serves to inform the American public at all on a question concerning which there is the most widespread ignorance, and if it brings any widespread body of opinion to the author's view that "the sooner this war debts question is wiped clean off the international bookkeeping slate, the better for international amity and for the economic recovery of the world," its little imperfections can be forgiven.

Mr. Lloyd makes a good point when he says "we cannot afford, as a nation intent upon a sense of justice and humanity, to disregard a universal public opinion condemning the whole American attitude about this vexing controversy."

"AMERICA'S CAPACITY TO CONSUME" by Maurice Leven, Harold G. Moulton and Clark Warburton. Published by the Brookings Institution, Washington at $3.

What is the relation of the distribution of income to economic progress? It will be recalled that in a recent issue we reviewed a most useful study published under the title of "America's Capacity to Produce." Taking the United States as a case history, it endeavored to examine the machinery available for the production of new wealth and came to the conclusion that while the productive capacity of the United States was now somewhat in excess of the country's needs at normal rates of consumption, it was in fact much less than the country would require if everyone had the income to enable him to purchase what he would like to purchase.

In the second volume of this series of four studies being published by the Brookings Institution, the flow of income arising out of production in the United States is analyzed. The whole series has as its aim an attempt to answer the question of whether or not the existing distribution of income tends to promote or retard economic progress.

In the income study, the essential facts about the average incomes of different people in different parts of the country and in different income brackets, are given. One of the basic conclusions is that it would require but a moderate increase in the consumption of the millions of people, whose standards of living even in 1929 were below the requirements for health and efficiency, to absorb the full productive capacity of the nation. The trouble is clearly not lack of desire but lack of purchasing power. This leaves the way open, of course, for all sorts of theorists and faddists to present their plans for increasing purchasing power and particularly for raising all family incomes in the lower bracket. But suggestions along this line have not been dealt with in this volume, having been reserved for later volumes in a series.

An interesting conclusion is reached that the United States cannot materially shorten working days and still produce the quantity of goods and services which the American people aspire to consume.

This series of studies is of the utmost value. It would not be possible to compile a similar series of income studies for Canada as our income tax returns are not available to students of economics. But it would not be unreasonable to suppose that the general condition which applies to the United States in relation to the distribution of income, and the effect of such distribution upon economic social progress, are similar.

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Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Night Shining Paint

EVER since the easy days in the Garden of Eden, a large proportion of mankind has been looking for something for nothing. It is in catering to this demand, that the great proportion of the modern rackets occur.

As it is some little time since the last luminous paint scheme as a means of separating many Canadian investors from their money, popped up, it might be well to sound warning again. A variety of high pressure salesmen have baited their hook with this device.

Although the approach is very simple and the invention, to say the least, decidedly extreme, the thing has been worked successively and with little variation.

* * *

A supposed inventor drops in to see a man who has been known to invest fairly large sums of money in new inventions, or he perhaps merely gets in touch with some person who might know of such an investor. He is offered an entirely new kind of paint, a sort of storage battery for sunlight. It is described as being capable of absorbing enough light during the daytime or when exposed to an electric lamp, to shine unaided through the hours of darkness, even in our northern winter clime, where the nights are notoriously long and sometimes dark. The "inventor" describes himself as a poor man with primitive equipment and yet he produces something in the way of results. A cross, sign or other article which would benefit from the shining paint is exposed to the daylight for an hour or so then taken into a dark room where it continues to glow.

"Now," says the "inventor," "if I can make paint like that with my poorly built equipment, you can imagine what we could do if we really had a first class manufacturing plant."

* * *

A wonderful market for such goods is pictured. In the Province of Quebec, thousands of wayside crosses would be painted so that they would be visible both night and day, at no upkeep cost. In the larger cities, street signs, house numbers, billboards, perhaps even keyholes, would be treated inexpensively. In fact, the paint might be made so cheaply that that old obstacle of the indoor prowler, the rocking chair, might be made to stand out like a beacon light.

After a good deal of money had changed hands, the case was investigated and the so-called perpetual shining paint was found to be simply one of the fairly common luminous paints with a phosphate and sulphide base. This is understood to be a German invention but it is only able to absorb sufficient day-time light to last for a very short time after darkness. However, an object painted with it will shine very brightly for a sufficient time to inveigle cash out of many investors.

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NEWFOUNDLAND TOURIST TRAFFIC SHOWS INCREASE

More Visitors Arrive from Britain — Bureau Active

From Our Own Correspondent

ST. JOHN'S NFLD.—Probably due to the presence of Englishmen on the Commission of Government and the increased interest which Newfoundland has for Englishmen, because their government has undertaken to shoulder, for three years at least, the Newfoundland deficit, more tourists from United Kingdom visited the Island this year than for any time since the Tourist Commission was inaugurated.

Beginning as the Tourist Bureau, about a dozen years ago the bureau was re-created as the Newfoundland Tourist Commission, with statutory authority granting it revenue from a tariff on all transportation tickets of persons entering the Island ($1 on all tickets worth up to $10, $2 on those from $10 to $100 and $3 on all over $100). With this revenue the Tourist Commission was expected to be self-supporting. It has been. From that revenue it conducts its annual advertising campaigns, maintains an office in St. John's and another in Boston, with the various incidentals pertaining to both.

Shipping Companies Help

While detailed figures will not be disclosed until the Tourist Commission has submitted its annual report to the Commission of Government at the close of the year, a larger volume of tourists for the season just passed, as compared with 1933, is shown by the records. Tourists touching any part of Newfoundland or Labrador come within the aegis of the Tourist Commission. Steamship companies collaborate with it in supplying information. Besides those who actually come to Newfoundland there is an increasingly large volume of enquiries which has to be dealt with.

It was expected by Sir John Hope Simpson, when his Department of Natural Resources opened the season for caribou hunting to a limited number of applicants this year, for the first time in thirteen years, that there would be a strong demand for hunting licenses. Strangely enough not one application, despite many enquiries, was received. The Tourist Commission, which is allied with the Department of Natural Resources, having on its board Messrs. Fraser, department secretary, and Turner, head of the Forestry section, is generally of the opinion that the shooting license fee asked ($50 for one caribou only) was disproportionately high, or that the bag limit too small. It is possible there may be some modification of this next season.

Visiting fishermen were, however, in greater numbers than for some years. Every cabin on the West Coast rivers was filled to capacity.

May Erect Cabins

To provide for a largely increased volume of visiting anglers which new plans will, it is believed, make possible, the Newfoundland Railway is considering a draft plan for the erection of tourist cabins on fishing streams throughout the Island, at the suggestion of the Tourist Commission. It is proposed that these cabins shall be built and operated under the management of the railway, and that a section of the river adjacent to each, sufficiently large to permit ample fishing privileges, shall be reserved for the use of the occupants of the cabin during the time they are actually in residence there. Once the cabin is again vacant the stretch of stream would be free to all comers until new occupants took it over.

The Newfoundland tourist trade has rarely exceeded the ten thousand mark in its very best years, and during the depression it fell off in company with that of the rest of the world. The increase during the past season, and the stability now existing under the new administration of the Island's affairs, a stability which relieves the Tourist Commission of many former difficulties, changes and annoyances under the old party-political method, gives encouragement for more ambitious undertakings and a consequently increased volume of tourist traffic next season.

Contact Agencies

One of the difficulties heretofore confronting the commission was that it was not allied with those hundreds of tourist agencies in the major cities of Canada and United States. Under a scheme planned for next year it is hoped to effect liason with all the major tourist agencies, thus putting Newfoundland and Labrador on the regular tourist schedules. It is felt that this will lead to a wide increase in the volume of tourist traffic to the Island and its continental dependency—Labrador.

In the latter connection a recent announcement by the government, that plans were being made for the purchase of a large coastwise passenger steamer, indicates they have also in mind provision of more ample facilities for summer tourist traffic to Labrador. It is also hoped to remove another difficulty that has hitherto sometimes confronted tourists who come to St. John's for the purpose of visiting Labrador. These sometimes find themselves in this city a day or so after the fortnightly steamer for the Labrador coast has sailed, and thus compelled either to spend a vexatious delay here or cancel their arrangements and return home if time is limited. By the proposed liason with tourist agencies exact sailing dates of Labrador boats will be available, and delays thus avoided.

Newsprint Export Values Move Ahead

From Our Own Correspondent

MONTREAL.—Newsprint exports from Canada last month were higher than in the previous month and considerably higher than in the same month a year ago, according to a report issued by the Federal Government.

Shipments last month had a value of $6,958,945 compared with $6,569,041 in September, 1934, and $6,285,088 in October, 1933. The value last month did not keep pace with the increased volume of exports on the year's comparison. Tonnage exports in October were 204,904 tons compared with 171,927 tons in October, 1933, or an increase in volume of 19.1 per cent, whereas the value rose 10.7 per cent.

For the seven months of the Dominion's fiscal year, April to October inclusive, the value of exported newsprint from Canada was $46,942,590, as against $42,064,426 in the corresponding period of the previous year.

Can. Foreign Investment Pays Bonus on Common

From Our Own Correspondent

MONTREAL.—Directors of Canadian Foreign Investment Corp., in addition to the regular dividend of 25 cents a share, have declared a bonus of 25 cents a share on the common stock, both payable on January 1 to shareholders of record December 15.

Canadian Foreign Investment is a holding company, controlling the Brazilian Portland Cement. In the last year it has made major changes in its financial setup. Not only has it retired all of its outstanding funded debt, but it also has made a substantial reduction in the issued preferred stock, while the common has been placed on a dividend paying basis.

The Housing Problem In Canada. 3

Cities Have Powers Already To Eliminate Slum Conditions

Dwellings Described in Bruce Report are Against Law—Great Improvement Shown in General Housing Since 1890

By WELLINGTON JEFFERS

Slums and their attendant evils will disappear when poverty is vanquished. Poverty is the disease and inadequate housing one of its symptoms. Taxing the general body of citizens to provide the very poor, with good houses at one-third the economic rent attacks the symptoms but will intensify the disease in so far as the greater tax burdens have their usual effect of curbing production and business activity.

That this is so is demonstrated in every period of high industrial and business activity. Employment spreads to include those in the lower brackets of income. Those who can do good work, and who have been lucky during depressions to get one, two or three days work a week, move out of constricted quarters when they find their weekly earnings doubled, trebled or quadrupled. Admitted that in every large city there are hundreds of families which never leave the slums even in good times, the fact remains that the problem is solved for each employable person when he or she gets work at wages high enough to pay adequate rentals for good housing. It is solved only so long as this adequate wage continues. The problem therefore becomes merged in a much larger problem outside the scope of this series, "How can the general level of employment at remunerative wages be raised and maintained?"

Shortage of Houses Shown

In the meantime the problem of the sub-standard house must be faced by all large Canadian cities under conditions as they exist. The Bruce report refers to Toronto conditions but it might as well be talking of all of them when it says there are too many families for the dwellings available and that there is therefore a shortage of houses if an adequate standard of health and comfort is employed. In Toronto, the report says, there are 150,000 families living in 136,000 houses, apartments and flats, and it concludes that there is a shortage of 14,000 units which would increase to 25,000 in a time of activity such as is pictured earlier in this article. It estimates that there are at least 2,000 families (or 1.3 per cent of the total) condemned to live a life "which for a large part of each year is made miserable by glaring defects in the dwellings they inhabit."

Houses as Public Enemies

"Because these dwellings are structurally defective," continues the report, "the majority of these families have to put up with walls which are damp or roofs which leak; with uneven and often rotten floors; with peeling paper and falling plaster; with holes and cracks through which wind and rain enter at will. Because the warmth of the house must usually depend upon a single stove—sometimes an imperfect kitchen range—the inhabitants have often only one well-warmed room in winter in which they are driven to crowd together at night to escape the cold."

The report very conservatively describes a satisfactory dwelling place that would satisfy minimum health standards as being one free from serious dampness and adequately protected from rain, snow and wind. It is one adequately lighted, ventilated and heated in winter. It must be properly drained and furnished with sanitary conveniences. It is also essential to have accommodation for preparation and cooking and storage of food in a reasonably cool place, protected from dust and flies. It must be capable of being kept free from rats and other vermin. To satisfy a proper standard of amenities the following additions should be made, the report states: central heating, cement cellar, artificial lights available in all rooms, entire freedom from vermin, complete inside plumbing, individual cooking arrangements for each household.

Overcrowding is Evil

The report succinctly and aptly puts overcrowding as first among the conditions which create bad housing: overcrowding of houses on the land, of families in the house, of persons in the bed. Hardly less important are insanitation, lack of fresh air, sunlight, inadequate water supply and sanitary conveniences and improper facilities for food storage, dampness, vermin and filth. Overcrowding increases the number of potential carriers of disease and the probability of infection. During the progress of a serious epidemic these problems become acute in badly congested areas. Infants and children are endangered because of the breeding places for the common house fly—spreader of disease—in dirty lanes and streets. Tuberculosis, infant mortality, general mortality, juvenile delinquency and adult crime, states the report, are all fostered under such conditions.

City Claims Powers

In the annual report of the Commissioner of Finance for the city of Toronto for 1931 the functions of the city departments are explained. If such functions had in the past been adequately exercised, the conditions mentioned in the Bruce report could not exist. What civic officials in Toronto admit to be their proper functions, will apply roughly to duties of similar officials all over Canada.

The department of the city architect in Toronto, as elsewhere, "examines and issues permits on the plans of all proposed buildings; and inspects all buildings in the course of erection in order to assure compliance with city by-laws pertaining to erection and safety of buildings. . . . Full information as to material and estimated cost must be furnished."

City Does Inspect

The sanitation services of the Department of Public Health "provides inspection for insanitary conditions in dwellings, yards, streets. . . ."

The Division of Housing and Industrial Hygiene of the same department "conducts inspection of dwellings, apartment houses, rooming and lodging houses and supervises improvements to dwellings; prohibits overcrowding in houses, condemns houses unfit for habitation; supervises the lighting and ventilation of public buildings and dwellings . . . and investigates nuisances caused by unnecessary noises."

The Division of Plumbing and Drainage "inspects plants and applications for permits of all proposed work in construction, reconstruction and alteration of plumbing and drainage of all buildings of every description. Supplies technical information . . ."

Collects Refuse

The Department of Street Cleaning duties include: "the cleaning of public streets, lanes and thoroughfares, the collection and disposal of ashes and household waste material, the cleaning of catch basins . . ." It employs 1,110 men collecting refuse in the winter and in 1931 spent more than $2,000,000 for this service.

It is difficult to believe that there could be 2,000 such houses in Toronto as are described in the Bruce report if these duties had been adequately carried out. Inspection would be easy; any social worker could point to bad conditions in his or her district. Every power at first sight seems to be there to force the improvement of improvable houses or the eradication of those hopelessly inadequate.

Single Authority Needed

The Bruce report again does excellent service in investigating why the City of Toronto does not do its plain duty with these houses. There is no single supervisory authority in the control of housing development and housing conditions. "The responsibility for maintaining healthy conditions in the houses rests with one civic department; the responsibility for their structural soundness rests with another. It is possible that the Department of City Planning might expect houses to be built in one area; the Toronto Housing Commission might build them elsewhere."

"Nigger in the Woodpile"

The Bruce report states that officials of the Division of Housing and Industrial Hygiene are hampered because, though health officers are empowered to order the removal or abatement of such nuisances as are described above, "where this order involves the loss or destruction of property to the value of $2,000 or upward it cannot be enforced except by order of a judge of the Supreme Court, and this is the 'nigger in the woodpile.'"

The condemning of a building involves proof to the court that the health of some person has been definitely impaired by living in it. This is difficult to prove at law. In the five years from 1929 to 1933 only five houses were condemned and only three in 1933. The department has hesitated to condemn or enforce improvements during the four years of depression "because it was felt that hardships would have been increased by the accompanying evictions and the intensified scarcity of houses."

Active Demolition

The department of buildings, under the building by-law, looks chiefly after new buildings so far as structural safety is concerned. It prevents the erection of buildings likely to degenerate into slum dwellings. Higher standards have been adopted from time to time since the by-law was passed in 1874. In five years 1,466 dwellings have been demolished by order of this department, and 100,000 warnings regarding demolition and improvements have produced results in three out of four cases.

Housing Conditions on Mend

Accepting Toronto for the time being as representative of conditions in other cities and acknowledging the analysis of conditions in the Bruce report as entirely accurate, many will be nevertheless forced to one other conclusion not stressed in the report: housing conditions in Canada are measurably on the mend when advance is measured in decades. Only 1.5 per cent of houses in Toronto fall below the minimum standards for health according to this report. It is true that there should not even be one sub-standard house and all proper measures to end bad housing should be taken except uneconomic expeditions into state housing. It is also true that provincial governments can strengthen the hands of all municipalities to attack these problems everywhere.

How Betterment Comes

Oliver Wendell Holmes once spoke approvingly of a man who stood in a crowd of raving maniacs in a madhouse, which he had visited, and declared that man was a reasoning animal. If one gets so close to the slum picture that he can see nothing else, then nothing but the most vigorous housing plans will satisfy him. It may be just as well, so long as his advice is not followed, because his insistence will be another force for betterment. But a more reasonable plan for improvement will probably arise if he studies the development of housing, and its improvement during the last 30 or 40 years. He will realize that most of it has come out of improvement of the economic condition of a large proportion of Canadians and that—in the final analysis—maintenance of standards attained and their improvement can only come permanently by increasing primary production and industrial and business activity.

Forty Years Ago and Now

Forty years ago few of the homes in Canada, outside the larger cities, had central heating, inside plumbing or other conveniences. Drinking water came from wells and water for washing from cisterns. Coal stoves had appeared in the towns and villages but even prosperous and well-built farm houses were heated by wood in the winter time. The writer has wakened many a winter morning on visits to farmer friends as a lad and found zero temperature inside. It needed only the touch of a match to well-laid fuel and soon kitchen stove and sometimes also a Quebec heater or sheet iron stove would be blazing and the house would get warm quickly. Apparently nobody's health suffered though it made both old and young hurry into their garments.

Wonders Worked

Outside the cities Saturday night as bath night was an enforced social restriction even in towns and villages. The people were generally neat, tidy, cleanly, well fed and well clothed. Since then the daily bath, the inside plumbing and conveniences, the good, well-inspected water, the inspected milk, the public awareness of things that produce disease and poor health have gradually worked wonders.

Yet most of those old houses still remain. They have been able to absorb all modern contributions and continue as efficiently as ever. Those that are inadequate have passed or will pass, but there are houses in Toronto, Montreal and other cities 100 years old and even older that will bear comparison with those built recently. The original builders so well and truly laid every joist and board and piece of timber that it is possible in another 100 years they will be still regarded as good to live in. They now have conveniences. True, new houses can be built to suit the purses and ideas of the present time better. But this paragraph is only to show that housing improvement has been of steady growth and can be expected to continue without rendering obsolete all old dwellings. The marvellous ingenuity of engineers in advancing the speed, smoothness and general reliability of motor cars, airplanes, vessels and railway trains has not disposed of the horse, the bicycle, the sail boat or the pedestrian. These still play an important, though declining, part in locomotion. So with old but still good houses.

Advancing Standards

Advance in standards of all citizens from seeing and desiring increasing beauty, convenience, comfort and health in houses, makes it less possible every year for them to endure the thought of substandard houses. Many orators will not believe this, but it is the writer's conviction that even a fine house built by a wealthy man in the end improves the lot of the slum dweller. In the same way every comfortable home built for any citizen relieves the tension below. It gives progressive opportunity for city authorities to destroy the bad and for other citizens, including slum dwellers, to move up several notches in the scale of housing.

Get private building going again and the slums will disappear if active co-operation of city and provincial authorities is gained. The Bruce report should waken citizens in every Canadian city to the determination that such slum areas will go and to the realization that everything that stands in the way of building resumption shall be removed. The need of city planning, of ending moratoria on mortgages, and of greater authority to municipalities from provincial governments for planning and improvements, was referred to in previous articles.

Redistribution by Taxation

This article is concluded by rehearsing the argument briefly. Bad housing is a symptom of poverty. Poverty results primarily from unemployment or excessively low wages. A general increase in production or prosperity is essential to end these conditions. It may be that in the generations to come we shall have to devise ways whereby further continuous improvement in our social and economic system provides for a more even distribution of the wealth created by production. But this cannot be done by taxation.

Through all sorts of taxes governments are attempting to redistribute wealth. Taxation provides a curb upon production, and the redistribution of wealth by taxation does nothing to increase the amount of wealth available for distribution. In fact, the tendency is to decrease the amount available by putting a curb on productive activity.

Taxation as an instrument of social control cannot properly or effectively be used, even to the extent that it is being used today. It will defeat its own purpose as it does not give first place to influences leading to greater productive activity and prosperity.

Building homes for the underprivileged and paying for them out of taxes is simply a scheme of redistributing wealth, and fails to attack the problem at its roots by increasing the wealth available for distribution. We have already jeopardized the prospects for recovery by putting too great a tax burden on producers. This further step will merely emphasize the difficulty. It would make for greater poverty and would be nothing more than an attempt to bonus the poor to stay poor.

Saint John Export Trade Advances During October

From Our Own Correspondent

MONTREAL.—Saint John Harbor Commissioners report a drop in the volume of cargo tonnage handled at the port last month, compared with October 1933. For the past month, the port handled inward and outward 79,430 tons, compared with 96,194 tons in October, 1933. It is noted that the lower figure is due to a decline in imports, as the volume of exports this year was 27,834 tons, compared with 24,592 tons a year ago.

For the first ten months of the current year, imports amounted to 511,517 tons and exports 748,629 tons, a total of 1,260,146 tons.

RANCHERS FAVOR IRRIGATION PLAN FOR SO. ALBERTA

Many Oppose Marketing Schemes — Fear Monopoly

From Our Own Correspondent

LETHBRIDGE—While plans under way to create a livestock marketing board in Alberta are not meeting with unanimous support from the ranchers, the latter are pleased over steps being taken toward improving the general position of the cattle and sheep industry in the province. Hon. J. J. MacLellan, minister of public works, is giving personal attention to the rehabilitation of the great short grass grazing area which extends from Coronation on the north to the Montana border.

One of the great problems of this cattle empire is water and to meet that problem the Milk River diversion scheme is being pushed. This scheme would cost $50,000. It would carry water from the Milk River to a chain of lakes through the heart of the southeast ranching country ensuring the area of stock watering supplies for all times to come. As it is now, many of these lakes are drying up, creating a menace to the industry. The natural water run-off is yearly growing less and some sort of conservation must be inaugurated if the ranchers and farmers are to carry on with any degree of safety.

W. T. Hill, life-long livestock dealer and president of the Lethbridge Board of Trade, is opposed to the marketing scheme calling the plan "collectivism." Yet the Alberta plan is almost identical to that of Saskatchewan, Mr. Hill states, and seeks to establish a 100 per cent compulsory stock pool which, in reality, would become a huge monopoly.

On the other hand, W. C. McKenzie, manager of the southern Alberta Co-operative Association, perhaps the largest single livestock and produce co-operative in the province is heartily in favor of the plan, and sees in it a move to stabilize the livestock industry. Mr. McKenzie has accepted a seat on the provincial board and was prominent in formulating its policies.

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Halifax Cargo Tonnage Declines for October

From Our Own Correspondent

MONTREAL.—Shipping activity at the Port of Halifax last month was less in volume than that reported for the same month a year ago. The net registered tonnage of vessels using the port reported for October was 511,224 tons, compared with 769,083 tons in October 1933 and 557,172 tons for October 1932.

Since January 1, 1934, the total cargo tonnage handled inward and outward amounted to 1,734,670, compared with 1,397,053 tons for the first ten months last year.

BANK OF MONTREAL

Established 1817

A presentation, in easily understandable form, of the Bank's

ANNUAL STATEMENT

31st October, 1934

LIABILITIES

LIABILITIES TO THE PUBLIC

Deposits — *Payable on demand and after notice.*	$650,218,835.10
Notes of the Bank in Circulation — *Payable on demand.*	35,255,876.00
Bills Payable — *Time drafts issued and outstanding.*	185,183.19
Letters of Credit Outstanding — *Financial responsibilities undertaken on behalf of customers (see off-setting amount [x] in "Resources").*	6,522,749.56
Other Liabilities to the Public — *Items which do not come under the foregoing headings, including $9,000,000 advances from the Dominion Government under The Finance Act.*	10,386,724.55
Total Liabilities to the Public	$682,569,368.40

LIABILITIES TO THE SHAREHOLDERS

Capital, Surplus and Undivided Profits and Reserves for Dividends — *This amount represents the shareholders' interest in the Bank, over which liabilities to the public take precedence.*	76,538,810.08
Total Liabilities	$759,108,178.48

RESOURCES

To meet the foregoing Liabilities the Bank has

Cash in its Vaults and in the Central Gold Reserves	$ 87,210,888.26
Notes of and Cheques on Other Banks — *Payable in cash on presentation.*	28,670,917.74
Money on Deposit with Other Banks — *Available on demand or at short notice.*	16,764,669.62
Government and Other Bonds and Debentures — *Not exceeding market value. The greater portion consists of gilt-edge securities which mature at early dates.*	317,936,912.23
Stocks — *Railway and Industrial and other stocks. Not exceeding market value.*	103,789.95
Call Loans outside of Canada — *Secured by bonds, stocks and other negotiable securities of greater value than the loans and representing moneys quickly available with no disturbing effect on conditions in Canada.*	32,133,844.20
Call Loans in Canada — *Payable on demand and secured by bonds and stocks of greater value than the loans.*	8,399,657.67
Bankers' Acceptances — *Prime drafts accepted by other banks.*	26,528.08
TOTAL OF QUICKLY AVAILABLE RESOURCES (*equal to 71.97% of all Liabilities to the Public*)	$491,247,207.75
Other Loans — *To manufacturers, farmers, merchants and others, on conditions consistent with sound banking.*	243,477,041.21
Bank Premises — *Three properties only are carried in the names of holding companies; the stock and bonds of these companies are entirely owned by the Bank and appear on the books at $1.00 in each case. All other of the Bank's premises, the value of which largely exceeds $14,500,000, appear under this heading.*	14,500,000.00
Real Estate, and Mortgages on Real Estate Sold by the Bank — *Acquired in the course of the Bank's business and in process of being realized upon.*	1,487,975.10
x Customers' Liability under Letters of Credit — *Represents liabilities of customers on account of Letters of Credit issued by the Bank for their account.*	6,522,749.56
Other Assets not included in the Foregoing	1,873,204.86
Making Total Assets of	$759,108,178.48
to meet payment of Liabilities to the Public of	682,569,368.40
leaving an excess of Assets over Liabilities to the Public of	$ 76,538,810.08

PROFIT and LOSS ACCOUNT

Profits for the year ended 31st October, 1934, after making appropriations to Contingent Reserve Fund, out of which Fund full provision for Bad and Doubtful Debts has been made	$4,105,024.34	
Less Dominion and Provincial Government Taxes	900,654.83	$3,204,369.51
Dividends paid or payable to Shareholders	$2,880,000.00	
Reservation for Bank Premises	100,000.00	$2,980,000.00
		$ 224,369.51
Balance of Profit and Loss Account, 31st October, 1933		1,585,451.28
Balance of Profit and Loss carried forward		$1,809,820.79

CHARLES B. GORDON, *President*

W. A. BOG, JACKSON DODDS, *Joint General Managers*

* * *

The strength of a bank is determined by its history, its policy, its management and the extent of its resources. For 117 years the Bank of Montreal has been in the forefront of Canadian finance.

THE FINANCIAL POST
SECOND SECTION
Vol. XXVIII PUBLICATION OFFICE: TORONTO, DECEMBER 1, 1934 No. 48

Canada's Biggest Problem

FINANCING C. N. R.

How Can Railway Keep Pace With Country's Needs If Insolvent?

CANADA must find a way to cut losses on the Canadian National Railways, not only to save the taxpayer but to ensure the country of adequate railway service in the future.

This is why:

Both the Canadian National Railways and the Canadian Pacific Railway are certain to be faced in the next decade with the necessity for investing many millions of dollars on rebuilding their part of the transportation service of the nation.

During the past decade, these lines have invested about three quarters of a billion dollars, much of it in assets that are not today earning an adequate return; much of it in duplicating each other's services.

Canada may have too many miles of railway. Excessive expenditures on railway construction in past years may be the prime cause of high taxes in this country today. But if the railways are to survive they must keep pace both with science and the needs of business. No matter how much they have invested in the past, no matter how non-productively they may have invested a large part of their capital, they will have to keep on making extensive capital expenditures.

Changes in travelling habits; changes in the character of distribution of merchandise; shifts in trading channels; all these alter the character of a country's transport needs. The railways, too, must shift their ground to give adequate service.

Canadian railways will be forced to keep pace. To keep pace they will have to invest new capital.

* * *

Financial Strength to Ensure New Capital

THE Canadian Pacific can make its contribution to constantly revitalized transportation service in Canada only by maintaining such a sound financial position that its securities will be attractive in world markets. It cannot sell bonds alone; it must be put in a position to sell stock. The inevitable consequence of a financial structure top-heavy in bonds is default and receivership when depression comes. Only the C. P. R.'s sound financial policies in the past saved it in this depression.

The Canadian National Railways, so long as it remains the property of the taxpayers, can obtain capital on the backing of the taxpayers, the limit of its borrowings being merely the limit of the national credit. Whether the railway sells its bonds directly or the Dominion treasury sells the bonds and advances the money to the railway, the net result is the same; the taxpayers assume the responsibility of seeing that the bonds are repaid. They have already assumed over two billion dollars of such responsibility.

They are responsible for more than $1,250,000,000 of Canadian National Railways bonds.

They have advanced in cash an even larger sum as investments in railways or to meet deficits. The cash investment was given by the Duff commissioners as $1,200,000,000, a figure which has greatly increased since. Some of this money has already been changed to taxes and paid by the taxpayers. But the major portion of it is in the national debt.

The people of Canada simply cannot stand the burden of advancing money to the Canadian National Railways unless they can have assurance not only of a return on every new dollar advanced but on dollars already poured into the enterprise.

Already the railway has cost us a billion dollars in reported deficits. But this is not the whole cost. That billion dollars of deficits makes no adequate allowance for depreciation and obsolescence of line and equipment; no adequate allowance for money spent unproductively; no allowance at all for the interest the taxpayer pays on $400,000,000 of railway assets which the Canadian National uses without paying interest to the Dominion treasury.

Our actual losses to date are nearer to two billion than one billion dollars. Unfortunately, all of this is in our public debt, directly or indirectly. "We must recapitalize the C.N.R.," it is frequently urged. But writing down the figures on the C.N.R. accounts does not write the losses out of the national debt nor the service on the losses out of our tax necessities.

But even if we take the C.N.R. losses at the figures published here last week, showing deficits to date of $930,000,000, the record is staggering. To the end of 1933 passengers and shippers paid $3,528,800,000 for the privilege of using the C.N.R. lines. Thus, for every dollar paid in passenger and freight charges, the taxpayers put up another quarter dollar.

In 1933, for every dollar of gross revenue taken in by the railway, 66 cents was put up by the taxpayer.

What an appalling record this is!

A sum like $930,000,000 cannot be dismissed lightly. Every dollar of it is in our national debt; every year interest on it is included in our tax bills.

A sum like $97,700,000—the C.N.R's. loss in 1933—cannot be lightly dismissed. It was more than the total of our income tax collections, more than customs duties, more than all our excise taxes.

In addition to this appalling loss, which contractors' rackets, sectional politics and partisan chicanery have cost us, we must assume the burden of rebuilding our transportation system in the future. What crass and shameful neglect of the public's true interest is it, then, for the men in charge of national and railway affairs to pretend that the railway problem will solve itself!

"The C.N.R. is all right; leave it alone and it will pay its own way," is the clear purport of what Chairman C. P. Fullerton has been saying in public speeches.

Judge Fullerton must know better. He must know that if the C.N.R. deficits are not cut soon by the most insistent and unswerving course of curtailment of expenses, through internal readjustments and economy, and by co-operation with the Canadian Pacific Railway, to cut out every item of duplicated and unnecessarily competitive service, insolvency faces the country and the Canadian Pacific.

* * *

Is This Warning Already Forgotten?

THE grave and consequential warning uttered by the Duff Commission should never be forgotten by Canadians. Here it is; read every word of it:

"We feel compelled, as a matter of public duty, to strike a serious note of warning to the people of Canada. Unless the country is prepared to adopt the plan we have proposed, or some other equally effective measure, to secure the efficient and economical working of both railway systems and thereby not only reduce the burden on the Federal treasury but improve the financial position of the privately owned railway, then the only courses that would be left would be either to effect savings in national expenditure in other directions, or to add still further to the burdens under which the industries of the country are suffering by the imposition of yet further taxation.

"Failing the adoption of one or other of these courses, and there are obvious limits to their application, the very stability of the nation's finances and the financial credit of the Canadian Pacific Railway will be threatened, with serious consequences to the people of Canada and to those who have invested their savings in that railway."

Canada must solve the railway problem; must do it quickly and without delay.

Moreover Canada can do it.

It may be that Judge Fullerton and his two associates cannot or do not want to undertake the task. Singing lullabies to the taxpayer, keeping in right with the local politicians, may make life temporarily more comfortable for them. If that is their attitude, then the country must look to the Government, which put these men into office and vested them with each and every power and authority necessary to make a clean sweep of extravagance on the National Railways.

The Government gave them power to solve the railway problem and it is not insoluble. What are they going to do about it?

The taxpayers of Canada, those whose heavy burdens of income tax, sales tax, nuisance taxes and customs duties bear heavily upon them, must make their voices heard and their influence felt.

They must write to Chairman Fullerton, protesting his inactivity and delay in bringing into execution the recommendations of the Duff Commission. They must write their prime minister and their member of parliament, for these men put the Duff report into the law books. They must get their boards of trade and other public bodies to memorialize the government and the railway trustees to stop fooling with the railway problem.

Only an aroused public opinion—an informed and angry public opinion—can ever end this incessant postponement of a straightforward facing of the fact that the Canadian National Railways is thwarting our national development, reducing our standards of living and driving us into national bankruptcy.

An Ideal Investment Programme

Principles Are Laid Down for Small Life Insurance Company and Private Investor

What is the ideal investment programme for a small life insurance company?

Recently, G. W. Geddes, general manager of the Northern Life Assurance Co. attempted to answer this question before the Toronto Insurance Institute.

He pointed out that with a small company, investment matters were usually the part time responsibility of an official with no particular investment training; that the problem was usually one of rules which leave as little as possible to human judgment. He observed that with a small company there was not the same pressure to invest money continually. That a big company had to find investments, while a small company "can select them in a more leisurely and exacting manner."

With a view to suggesting the "mechanical means" whereby a small company could offset its lack of technical investment knowledge, and yet increase its interest yield rate without any sacrifice in safety, Mr. Geddes proposed a quite definite plan, which he believed might be followed by a life company in the same way that scientific selection is made in the selection of life insurance risks.

Apply to Private Investor

As many of the suggestions are of equal interest and value to the individual investor, The Financial Post reprints Mr. Geddes's suggestions in considerable detail as far as security investments are concerned.

"The investment rules for the investor of a small life company might read:

"(1) Does it provide, apparently, for the safety of the principal?

"(2) Is the yield within the 'range' allowed for that class?

"(3) Does it appear to pay too much for marketability?

"(4) What is the duration of the risk?

"(5) Will it be very expensive to look after?

"(6) Is the amount offered within the company's limit of acceptance for this class?

"If these questions are answered satisfactorily, and they may be answered by a comparatively superficial examination, then the only remaining care of the investor is to see that the securities he is buying are carefully diversified as to geography, industry and security. The element of personal responsibility will still remain with the investor, but less reliance will be placed on personal judgment.

Mortgage vs. Bonds

"In selecting investments for a period of twenty years, there are certain other considerations to take into account, notably the trend of interest rates and the possibilities of inflation and deflation.

"The relative merits as investments of bonds and mortgages have been much discussed and argued without any very definite decision on either side. The two chief disadvantages of mortgages during a cycle of declining interest rates are the expense of looking after them and the necessity of re-investment at a lower rate.

"Mortgages are fixed securities and therefore benefit by deflation. Maturing as they do, however, in short periods, they have also a slight offsetting value against inflation if we should encounter such a period before we expect it. This is therefore another reason why a programme should contain about equal amounts of mortgages and bonds.

Common Stocks

"The great protection against inflation lies in common stocks which are not fixed securities but are greatly enhanced in periods of inflation. If the German life companies had had a good proposition of common stocks in their portfolios, probably they would have been able to weather the storms of the war and after. If, therefore, there is a chance of inflation during the next twenty years, our programme should embrace a small percentage of common stocks.

"Aside from the merits of common stocks as a protection against monetary inflation, they have a very definite place in investment from the standpoints both of yield and appreciation."

Practical Application of the Investment Plan

(1) Plan to secure the highest interest rate possible with safety of principal.

(2) Such safety of principal to be secured not by seeking absolute safety in individual investments but by a system of classification and diversification based on the law of averages and producing an expected minimum loss.

(3) The amount at risk of loss in any classification to be governed by maximum limits (fixed from time to time) proportionate to the degree of hazard measured by the interest yield.

Proposed Ultimate Classification of Invested Assets:

	%	%
First Mortgages		40
Fixed Interest-bearing Securities:		
Dominion Government	5.0	
Provincial	7.5	
Municipal	15.0	
Public Utilities and Gen. Industrials	10.0	
Industrial Debentures and Preferred Stocks	2.5	
Total		40
Common Stocks		2.5
Policy Loans and Real Estate		17.5
		100.0

I. **Government Bonds—**

It would probably be inadvisable to set any limit to the amount of bonds taken from any particular province, though it should be considered, for instance, that the western provinces have not the vested wealth, population or diversified industry of Quebec and Ontario.

II **Municipal Bonds—**

Maximum Limits:

Cities over 200,000 population	$100,000
Cities over 100,000 population	50,000
Cities from 25,000 to 100,000 population	25,000
Smaller cities, large towns over 5,000, counties and townships	15,000
Smaller towns under 5,000, villages and other municipalities	10,000

Be careful of one-industry municipalities and of municipalities which are not progressive and growing.

III **Public Utilities—**

Maximum limit for high-grade bonds of large, well-established companies, $15,000. Amount held should be graded down in accordance with security and inversely with yield.

Following are the tests of C. S. MacDonald, president of the Confederation Life. I could not presume to improve on them:

Tests For Utility Bonds:

1. Legality.
2. Seniority of the security:
   Holding company and operating company (bonds, preferred stock, common stock).
3. Capitalization of company:
   Ideal ratios—50 per cent bonds, 25 to 30 per cent preferred stock, 25 to 30 per cent common stock.
4. Territory served:
   Is it situated in prosperous industrial territory? Is there diversity of industries?
5. Kind of service rendered:
   Electric power and light, gas, transportation, etc. Preference is for companies engaged particularly in sales of electricity and gas, with largest proportion of gross earnings derived from electricity.
6. Franchises:
   Under what conditions granted? Are there burdensome restrictions? Is franchise perpetual or terminating, and if terminating, is it renewable and for how long?
7. Analysis of balance sheet:
   (a) Property account—Funded debt should not exceed 60 to 70 per cent of value of property. Depreciation reserve should be about 10 per cent, though many companies write down plant values, and in such cases a smaller percentage may be quite adequate.
   (b) Current position—The relationship between current assets and current liabilities is of minor importance; the ratio of 2 to 1 is quite adequate.
   (c) Other items in the balance sheet to consider are surplus and other reserves, unamortized debt discount and expenses.
8. Analysis of income statement:
   (a) Source of gross earnings, which should be five times fixed charges.
   (b) Operating ratio—ratio of operating expenses, taxes and maintenance to gross earnings: (for steam, electric companies 50 to 70 per cent), (for hydro-electric companies 20 to 40 per cent).
   (c) Depreciation should be deducted before net earnings are calculated.
   (d) Times fixed charges earned — usually interest is adequately earned, if it is covered twice.
   (e) Preferred dividends should be earned at least three times, since a reduction of 10 per cent in net earnings may cause a decline of 20 to 30 per cent in net profit available for preferred dividends.
   (f) Common dividends should be adequately earned, and the dividend and earnings record over a period of years should be favorable.
   "While numerous ratios are useful in considering the position of the company, it is perhaps not advisable to rely too much on these," he says.
9. "Management is one of the most important considerations. Most of the operating companies are owned by one of the large holding companies, and the management is usually that of the holding company, and it is not easy to value. It is advisable to know whether the management record in the past has been a success or failure in connection with other companies."

IV **Industrial Bonds, Debentures and Preferred Stocks—**

Maximum limit: $10,000.

In analyzing industrial bonds, Mr. MacDonald advises the tests are much the same:

1. Ideal capitalization ratios are:
   Funded debt—25 to 35 per cent; preferred stock 15 to 25 per cent; common stock 40 to 60 per cent.
2. Questions to ask are:
   (a) Is company engaged in manufacture of a wide variety, or only a few products?
   (b) Are these classed as necessities or luxuries?
   (c) Are patents exclusive, and over what period of years do they extend?
   (d) What are possibilities of replacement by competing products?
   (e) Does company maintain research department, and is it scientifically developing and improving products?
   (f) Is company one of the leading units in industry, and is it maintaining its position with regard to competing companies?
   (g) Is industry as a whole prosperous, or are overexpansion and keen competition likely to result in unsuccessful operation?
3. Advises on ratios to employ in analysis.
   Items in analysis of balance sheet are:
   (a) Current assets should be from three to five times current liabilities, while cash assets should be at least from one to one and a half times current liabilities. Cash and marketable securities should be at least 25 per cent of current liabilities. Inventories should not increase from year to year at a greater rate than net sales.
   (b) The property account of an industrial company is not as important. The main security behind the bonds of an industrial corporation is its earning power, rather than the value of fixed assets.
4. Adequate depreciation should be charged at the rate of 7 to 10 per cent per annum, and depreciation reserve should be 25 to 40 per cent of property value. Allowance should also be made for obsolescence.

Common Stocks:

A small proportion of common stock should certainly be held to guard against the perils of inflation. Maximum amount in any one common stock should be $10,000 and, of course, only the stock of large, well-managed companies with a long history of success should be considered.

The Railway Problem

Three Letters From Readers

Breaking Our Backs

Editor, The Financial Post:

I am pleased to note your recent interest in what is Canada's greatest problem, viz: The Canadian National Railways, vs. the Taxpayer.

I believe I express the opinion of the average thinking man, when I state this railway problem with its disastrous consequences can never be solved, while we attempt to carry on an enterprise so vast as the Canadian National Railways System by governmental direction. It might be done economically by a dictatorial form of government backed by an efficient military force; but never by our present party system. A recent press announcement if true, of a premeditated increase in wages to railway employees in these times of distress, on the eve of an approaching general election, is only one proof of this contention.

I never hoped for much from the operating plan as proposed by the Duff Commission, and as a year's trial has accomplished little or nothing toward relief of the taxpayer's burden, I believe we may as well face the fact that, if our national life is to survive, we must get rid of this railway bogey as a governmental institution. First: either by sale to private interest at whatever price it will fetch, or second: the adoption of the Beatty plan, which after all may be the only practical one under present conditions.

The chief objection to this latter plan is fear of the effect of a railway monopoly. I fail to see how this situation could develop, as freight rates are regulated by the railway commission. Besides we have already an increasing highly developed motor truck transportation, which would tend to hold down freight rates, even on long hauls.

Not only do I think the Beatty estimate of a $75,000,000 a year saving is not extravagant, an amalgamation of the two systems under the direction of the very able board of the C.P.R. executive, should make possible the inauguration of a progressive downward revision in the rate structure, which is so urgently needed if our commercial life is to function satisfactorily. I would point out to you that while there has been a drastic reduction in all commodities, including labor, farm produce, etc., since the inflationary war period, railway rates still remain at the peak bracket cost, which I believe is about 100 per cent higher than the pre-war period.

In recent years economic pressure and the ruthless weapon of competition in all branches of industry, have forced drastic reduction in operating costs, and those who were not able to set their houses in order to meet existing conditions have been or are being washed up. Not so with our railways, who have still been able to maintain their extravagant and uneconomical policies of operation at the expense of the Canadian tax payer, whose back is now at the breaking point.

J. H. DUNLOP.

Bathurst, N.B.
Nov. 19, 1934.

A Two Per Cent Tax

Editor, The Financial Post,

For the past few years, I have read with great interest all information given by The Financial Post on the question of the railways in Canada and the burden of taxes.

Of all suggestions, I endorse that one of Mr. Beatty whereby the C.N.R. would be rented to the C.P.R. over a number of years.

The burden of about $100,000,000 yearly to the people of Canada in C.N.R. alone amounts to $10 per head in round figures, or $50 per family.

The total personal average income per family is $2,500 yearly. It means that two per cent of the gross personal income of the country is required to cover C.N.R.'s deficit.

Is this problem serious enough to talk about and to write about? My answer is—yes.

HENRI LAGARDE

Montreal, November 15.

From A Labor Union Officer

Editor, The Financial Post:

Having read your article, "Canada's Biggest Problem" I would like to make some observations as from a practical railroad man.

You think the Duff Commission recommendations were disappointing. They certainly were. As a solution of our railroad problem they were a waste of time, not one practical suggestion was made that had any chance of succeeding. The government consistently refused to allow any suggestions from practical railroad men which might improve matters. Co-operative competition is one of the most foolish suggestions that could have been made.

Your scepticism regarding Judge Fullerton's silence is not well founded. The Judge has no doubt learned that to retrench beyond justifiable limits is not the solution of the trouble, it only aggravates it. Also he has no doubt learned that the pooling of services is detrimental to the people's property and the laying off of Canadian taxpayers is not for the good of the country at large.

Judge Fullerton is quite in order in not making such drastic economies as would be detrimental to the property. That point has been reached. Further cuts should not be made, but an intense solicitation for business should be made to bring our income to a higher point.

Judge Fullerton is not playing politics. He stated an absolute fact, as every railroad man knows. Amalgamation is not the answer.

The solution of our railroad trouble is within our reach, why not make a united effort to solve it.

J. F. DOWNING.

London, Nov. 10, 1934.

War On Waste

YOUNG men's division of the Regina Board of Trade submits in a report that the ward system of municipal government results in sectionalism, log-rolling and waste. In this conclusion opinions of eminent municipal authorities are quoted in support of this conclusion.

Competitive sectional interests are cited as the chief cause of waste resulting from ward elections. Sectionalism has been an important factor in government waste in Canada on a national, as well as a municipal, scale.

While municipal election of council representatives from the ratepaying body at large, instead of by wards, would appear to give a party the opportunity to control the civic government, it could hardly be worse than the ward system. The latter encourages aldermen to grab all they can for their own territory. And it does not give adequate representation to the larger ratepayers. While representation on the basis of financial responsibility might not be the result of election at large, instead of by wards some of the sectional competition and resultant waste might be eliminated.

Beet Growers Pleased

Beet growers in the region of Raymond, Alberta, have had an excellent season with a yield of about 155,000 tons, or about 20 per cent more beets to the acre than last year.

ARE WE FOOLING WITH FRAUD?

Stopping Fraud Means Control Through Companies Acts and Sales Regulation

By NORMAN HARRIS

The sound business promoter performs a useful function. Business could not proceed, the country could not progress, without his skill and experience. A sound promoter rejects all unsound business proposals. When he forms a new corporation he puts together a new machine to make earnings, not only on the working capital but on all the capital stock issued. He is quite aware that if he slices the company up, to award in advance large pieces of capital value to vendors, and princely sums in commissions to a sales force, that his machine must break down. So the sound promoter does nothing of the kind. He does not pillage the company at any stage. He does a good job and he is entitled to remuneration. Theoretically he has not earned his fee until his service has become one of proved value to the community. In practice, however, the promoter takes part of his reward at the outset because he feels sure of the ultimate result.

Non-skilled Promoters

In the Dominion of Canada, and notably in the Province of Ontario, a certain percentage of companies is formed by efficient organizers. But there are hosts of corporations designed not to make earnings for shareholders but to advantage the promoting group, regardless of the shareholders.

The non-skilled and inefficient promoter is more dangerous to the public than is the fraudulent promoter. He causes the loss of very much more money.

There are in the field very many more foolish, inefficient and bungling promoters than sound promoters. I would not hesitate to say the same thing of financial brokers and securities salesmen. Of the large army of men and women engaged, about 75 per cent should be weeded out. The way to weed them out is to spread an official net to intercept them.

Famous Glass Promotion

Of what use was it to allow a promoter to form a certain notorious glass company. Its operation lost over half a million dollars. It tried to make bottles, melting the glass by means of an electrical furnace. The documents disclosed that a large flock of shares had been given over for the patent on the electric furnace. The electric furnace was not feasible in a commercial sense.

Another Ontario promoter, in cooperation with a pseudo-scientist across the border, got people excited a few years ago by pretending that he could convert iron into steel through the medium of a wonderful, secret process. One crack with a good hammer and the so-called steel resolved itself into a species of cast iron. That promoter was no good to any community.

A man, unable to succeed in legitimate business, will devise some mechanical wrinkle or take title to some kind of silly patent, a patent no use whatever in its field of business. For instance, the Brooks Steam Motor or the Augustine Rotary Engine. A lot of credulous people in Canada believed the rotary engine was a wonder. Hundreds of shareholders came along and handed half a million dollars or so to O. J. Brooks because the latter ran an automobile propelled by steam through city streets. These devices had no commercial value. It may be that a provincial security frauds commissioner is not the man to decide on the scientific merit of an invention. But he can decide on the financial merit of the set-up. In practically all such ventures, it can be demonstrated that the promotional set-up is for the advantage of some man who is vendor, board of directors, president and fiscal agent all in one.

Some More Examples

I well remember taking the train to Ottawa in company with a departmental lawyer. This was when I was in the Ontario Securities office. We were armed with a couple of dozen departmental files, many of which included complaints from shareholders or brokers or from lawyers representing their clients. Our mission was to direct the promoters to appear and give an account of their stewardship. This trip of inspection and investigation was interesting.

Take one instance. A promoter appeared, attended by his legal adviser. He was president of a corporation which had secured registration to enable it to market its securities in Ontario. A few questions put to him disclosed that he had formed a corporation and had caused either all or most of the authorized capital to be awarded to himself in return for what the lawyers call "consideration." Observe, the process was quite legal. It is an everyday practice among promoters.

We enquired as to what this "consideration" was. The answer would have sounded like a fairy tale, were it not for the fact that the writer has heard and dealt with a thousand similar instances. The promoter had agreed with the company, that any valuable patents he possessed or might develop would become the property of his company. He was asked what these inventions comprised. There were two of them. The first was a device which strongly resembled perpetual motion. It was to be sold to farmers and installed in their wells. At first it ran electrically, but after that the action of pumping up the well water was to become automatic. The other device was some kind of a foolish contraption, a patent spring action in connection with the chassis of a motor car. Speaking from memory, a sum no less than $800,000 had been invested in the company over a term of years. This was how the promoter turned his ridiculous patents into cash for himself.

Mining Promotions

Then there was a mining proposition. The promoters had never been down a mine. They had paid something down on a property in a queer lop-sided agreement, but were unable to show title. I know very little about mining, but these promoters knew less. They had decided to erect a stamp mill before they had proven any commercial ore. The commission on shares sold amounted to a terrific sum. I asked one of the gentlemen at what rate of commission he had been selling and the answer was "40." I showed astonishment. He hastened to explain that he had been officially told by another member of the department that he was entitled to charge 40 per cent.

There was another mining episode in connection with that visit. The promoters stoutly maintained that further developments would yield metal of commercial value. The writer knew perfectly well that these men had not the outlook nor the ability nor the experience to prosecute successful mining.

There was no evidence of iniquity in these companies and promoters. I was unable, despite recommendations made by me, to bring the department to take any action, either punitive or remedial, in any of these cases.

Getting Approval

We must have examined, on that visit, not less than twenty corporations. There was not a sound one among the lot. In fact, the spectacle there presented constituted a severe indictment of promotion conditions existing in Canada.

Some time ago a gentleman who used a military title came to Toronto and proceeded to operate a little game. In past years he seemed to have been fairly prominent as an operator in commercial oils, and to have some standing. In Toronto he undertook to accept money from men and women under the plan that he was to deal in the oil market and that the profits would be tremendous. When the writer stepped into this man's office and interrogated him as to his activities and what he had done with the moneys taken in, all he could offer was rather clever excuses. He was a distinguished looking person. But it looked to me like a plain picture of fraud. I suggested prosecution.

Fearing prosecution, this man had an agent seek interviews in the right direction. In the end I was informed by a superior that the oil operator, while unable at the moment to furnish the sum of money required to liquidate his indebtedness to subscribers, was cabling to England for the necessary funds. I do not think the cables produced the money. There was no departmental action in the way of a charge against him.

Can Be Suppressed

It may appear to the layman that the problem of suppressing unsound promoters would be a gigantic, if not an insuperable task. My reply is that it would be nothing of the kind.

It is not necessary to admit the unsound and inefficient promoter, broker or any other agent into a jurisdiction in which, armed with a document bearing a provincial seal, he can prosecute his intention of taking in money without rendering proper service or giving value.

At the next session of the legislature of each province, if a special committee were appointed for the specific purpose of picking up a bunch of files representing the activities of those officials engaged in the administration of the Securities Act, their work would demonstrate what I have stated; that is, that among the corporations registered and allowed to sell securities the mortality rate is truly surprising.

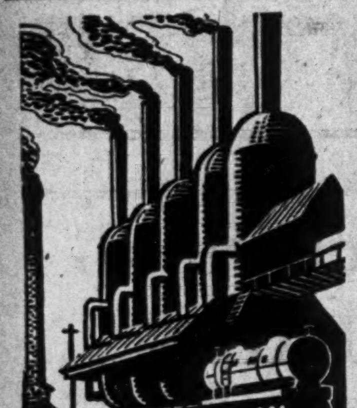
Notorious Reputations

A merciless raking of the files in connection with administration of what was the Security Frauds Prevention Act, now the Ontario Securities Act, would, I think, demonstrate that registration has been given to brokers or promoters or salesmen of notorious reputation. And that registration has been given to very many corporations which were dangerous hazards for the funds of investors.

There are two chief types of security laws. The first is the fraud law that punishes legally provable fraud. The other type of securities legislation, as distinct from the Attorney-General Act or fraud law, is commonly known as the regulatory statute. Another name is a Blue Sky law.

The fraud law tries to detect fraud in the investment field, and to punish it. It makes no effort to conserve the capital of the public, save by suppression or punishment of proven fraud. On the other hand, the regulatory type of act attempts to pass upon the new corporation before it has a chance to market a share of stock. The regulatory type of law shuts out not only criminal frauds in the securities field, but the very much greater volume of little frauds and near frauds and inequalities and inefficiencies launched against the investor; all the little tricks and conniving and plottings and greedy actions which cause the flow of money

(Continued on page 20)



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GALT KITCHENER GUELPH TORONTO

Fruit Exports Gain

Canada's export trade in fresh fruits is showing marked improvement this year. The value of fresh fruit exported in the first half of the current fiscal year amounted to $916,060, an increase of $171,309 over the corresponding period of last year.

Empress Hotel, Victoria, B.C.

Enjoy Winter in

CANADA'S EVERGREEN PLAYGROUND

GO WEST this Winter! Bask in the sunshine and flowers of Vancouver Island—here the climate parallels the climatic optimum, tempered by the Japan current. Enjoy, too, year-round golf on championship courses, riding, fishing, yachting, motoring, tennis . . . swim in the Crystal Garden, the popular glass-covered, warm sea-water pool.

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SPECIAL WINTER RATES in effect till April 30, 1935

Monthly Rate—For stay of one month or longer. Single with bath, $67.50 up; double (2 persons) $90 up.

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Information from Hotel Managers or any Canadian Pacific Agent.

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CANADIAN PACIFIC

SCANT ATTENTION FOR LAURA SECORD AT OTTAWA PROBE

Costs and Profits of Candy Company Quickly Analyzed

Only nine pages in the report of Royal Commission on Price Spreads are devoted to the investigation of Laura Secord Candy Shops. Evidence supplied by Geo. A. Gibson of Fred Page Higgins & Co. showed that the present capital of 57,500 no par value common shares valued on the company's books Sept. 30, 1933 at $904,464 represents shares given for the company taken over in 1926 with the following assets:

Cash	$ 49,041
Property	646,998
Sundry assets (net)	208,425
	$904,464

It was disclosed that the company has two sources of candy revenue, one from the manufacture of the candy, which was sold to the retail stores at an arbitrary price of 25 cents per pound in 1933 and the other from the sale of these candies in the retail stores at 50 cents per pound.

The company made the following profits in the last five years:

	Manufacturing $	Total Net Profits $	Divids. $
1929	73,491	379,764	120,717
1930	85,523	379,754	171,573
1931	67,005	300,037	172,514
1932	234,594	281,262	172,500
1933	64,239	218,037	172,500

In addition the company had an operating profit on interest from investments. Thus for the fiscal year ended Sept. 30, 1933, the net operating profit was $124,104 on sales of $1,648,532 and income from bonds and other investments amounted to almost $85,000.

Expenses

Operating expenses of $692,730 for 1933 were equivalent to 42.02 per cent of total sales or 83.29 of cost of the goods sold. Broken down the following analysis was reported:

	Sales basis %	Cost basis %
Stores—		
Wages	10.37	20.55
Rent	11.26	22.31
Taxes	0.87	1.71
Repairs	1.10	2.18
Advertising	1.10	2.18
Depreciation	0.03	0.06
Insurance	0.17	0.34
Sundries	7.05	13.96
Delivery	1.20	2.39
Administration—		
Officers' salaries	1.96	3.89
Supervisors'	2.17	4.31
Accounting sales	1.16	2.31
Expenses	3.58	7.10
	42.02	83.29

What is a Studio?

Some confusion resulted from the company's designation of its factories as studios with the following explanation:

Question—This candy factory is a studio?

Answer—Yes, sir.

Mr. Somerville—A studio, that is a place where you have models?

Mr. Factor—These are model candies.

STOP AND SHOP RECORD SHOWS BAD WITH GOOD

Doleful tale of losses and reorganizations of the predecessors of Stop & Shop Ltd. was outlined to the Royal Commission on Price Spreads at Ottawa recently by W. R. Kay, C.A., of Fred Page Higgins & Co., one of the commission auditors.

A cheery phase of the analysis was the improvement in sales and earnings since the reorganization into Stop & Shop. The long and involved history of Arnold Bros. and Consolidated Food Products, predecessors of Stop & Shop, was traced in The Financial Post long ago, and therefore only the newer material data submitted to the Royal Commission is dealt with here.

Control by Wood, Gundy & Co.

Control of Stop & Shop is virtually in the hands of Wood, Gundy & Co., the original underwriters of securities of the now defunct Arnold Bros. There are 55,550 preferred shares of $10 each outstanding, each of which carries one vote, and all of these are owned by Exchequer Securities Ltd., which is controlled by Wood, Gundy & Co., the evidence reveals. These shares are registered in the name of Roycan & Co., c/o The Royal Bank of Canada. The preferred shares are entitled to one vote each because dividends are in arrears from July 2, 1932.

Of the 49,208 common shares, the larger holdings are led by United Corporations, a Wood, Gundy & Co. promotion, as follows:

Larger Common Holdings

	Shares
United Corporations	11,400
Canada Packers	6,822½
T. A. McAuley, director	4,672
Montreal Trust (for exchange)	3,026
R. H. Hommel, president	1,900
Exchequer Securities	1,438
Eugene Coste, Toronto	1,248
H. R. Berg, vice-pres.	1,001
Geo. C. Anspach, sec.-treas.	1,000
Geo. A. Wright, vice-pres.	1,000
Gee & Co., Toronto	600
J. A. G. Clark & Co., Toronto	588
Brooks & Co., Toronto	500
A. D. Cobban, director	412
	35,607½

Issue of Preferred

The evidence shows that the preferred shares were issued in exchange for $500,000 of debentures of Cons. Food Products. These had been issued to Wood, Gundy & Co., as security for advances. At the time of the exchange of the debentures for new preferred stock, holders of common shares of Consolidated Food had their stock converted into smaller proportions of Stop & Shop common shares.

Salaries paid to the management of Stop & Shop and predecessor companies have been as follows:

Salaries of Executives

Fiscal Year:	No.	Total Salaries
1928	2	$14,102
1929	3	21,035
1930	5	38,743
1931	3	40,286
1932	4	30,342
1933	4	*32,783

*Incl. $3,075 directors' fees.

In addition common shares were issued to R. H. Hommel and H. R. Berg for their services.

Improvement Since 1932

The improvement in the company's sales and profits since 1932 is shown below:

Sales and Profit Record
Years ended in January

Year	Stores No.	Sales $	Cost of Goods (%) of sales)	†Net Profit $
1929	124	9,430,103	83.94	59,254
1930	138	7,425,323	80.92	*203,684
1931	114	7,766,769	81.17	*324,531
1932	103	5,817,974	77.91	*85,259
1933	113	5,842,956	76.09	12,321
1934	113	6,163,563	....	43,667

†Taken from annual report. *Loss.

Loblaw Common Stock Records Mighty Growth

Ottawa Probe Reveals Market Value Up Six Times

A total of $2,007,360 invested in the common stock of Loblaw Groceterias grew to a market value of $12,684,672 by June 1, 1934, and in addition in the last 13 years yielded a total return in dividends of $3,312,000.

This development was disclosed recently in the evidence of Wm. H. Woodrow, auditor for Fred Page Higgins & Co. before the Royal Commission on Price Spreads at Ottawa. Aside from the preferred stock, which was all redeemed by the end of 1930, no other cash seems to have been contributed to the company, the enhancement in value being due almost entirely to accumulated and also potential earnings.

Originally 3,600 Shares

The company, according to the statement submitted by Mr. Woodrow, was incorporated in 1921, with net assets, excluding goodwill, of $128,515. The original capital stock issued was 1,200 preferred shares, par value $100 each, and 3,600 common, par value $100 each. The common shares were issued as goodwill and had no other book value. From these 3,600 common shares grew eventually the following capital at May 31, 1933:

454,726 Class A shares	$1,782,327
383,300 Class B shares	1,020,405
	2,802,732
Earned surplus	2,776,038
	$5,578,770

Development

The actual development is not just as simple as the figures given above might imply. There was first an exchange on a basis of 20 for one in 1925, then the following year an exchange of two for one. In 1927, "rights" on the basis of one for every 10 shares held, or a total of 14,400, were sold for $25 each. This brought into the company the first real cash for the common stock, a total of $360,000. More "rights" the following year added $950,000 to the Loblaw coffers. In 1929 another exchange of shares brought into existence the present A and B common. A further increase in the Class A of 69,696 at $10 apiece in the same year added $696,960, which was the last capital sought by the company. Early in the following year the balance of the preferred stock was redeemed, which left the total actual cash invested at $2,007,360.

Invested Capital

	No. common shares	Consideration
1921	3,600	goodwill
1925	72,000	exchanged
1926	144,000	exchanged
1927	158,400	$360,000
1928	174,240	950,400
1929	348,480A 348,480B	exchanged
1929	418,176A 348,480B	$696,960
1934	418,176A 348,480B	$2,007,360
Market Value A at $17		7,108,992
Market Value B at $16		5,575,680
		$12,684,672

Earnings on the investment in the common shares have fluctuated widely, according to the Ottawa evidence, but in the last five years have averaged close to 20 per cent as the following table indicates:

Net Profits

	Profits $	% earned on invest.	Earn. per com. sh. $
1929	889,556+	20.10	1.01
1930	1,086,651+	21.09	1.27
1931	700,149	13.58	0.82
1932	746,687	14.43	0.88
1933	‡1,322,221	23.70	1.57

*Applicable to common shares and accumulated profits.

†In 1929 and 1930 a small portion of profits paid in dividends on preferred stock. All of latter redeemed by end of 1930.

‡Includes $270,000 proceeds of insurance policies on life of T. P. Loblaw who died in 1932. Approximate cost to company in premiums $17,000 per year. Total paid in premiums approximately $45,000.

Operating Costs

Operating costs of the big grocery and markets chain have shown a steady increase from the time the first figures were available in 1924. During the same years, with the exception of 1925 and 1932 when there were slight drops, total dividends paid have also crept upward with a high of $838,377 reached in 1933.

Total Dividends and Expenses

	Total dividends* $	Operating cost $
1921	7,288	......
1922	20,227	......
1923	46,303	......
1924	91,122	545,823
1925	42,276	693,171
1926	209,994	814,812
1927	242,544	1,077,235
1928	255,123	1,417,929
1929	416,631	1,824,835
1930	556,505	2,009,910
1931	680,673	2,021,248
1932	679,568	2,036,583
1933	838,377	2,062,949
13 yrs.	$4,086,631	$14,504,495

*Including dividends on preferred stock up to 1929.

Control

"The control of the company as at Feb. 12, 1934, was held by the estate of T. P. Loblaw, who controlled approximately 54 per cent of the total Class B voting shares in the company," reads the statement of Mr. Woodrow. "The next largest shareholder in the company was Mr. J. Milton Cork, president, who held in his own name nearly eight per cent of the total issued voting shares." The company, he also reported, was the largest shareholder in Loblaw Groceterias Inc. of Buffalo, and with the T. P. Loblaw estate, the next largest shareholder, had effective control of that company. The Canadian company, according to the report, has not received any income of any nature from the Buffalo company.

Salaries and Dividends

Salaries paid to the four leading executive officers of the Loblaw Groceterias since 1924, with dividends received by the same officials on their stock holdings, are as follows:

Management Salaries and Dividends

	No. of officials	Salaries $	Dividends paid on stock held by same officers $
1924	4	39,000	......
1928	4	98,000	......
1929	4	98,000	240,682
1930	4	115,000	392,565
1931	4	116,000	316,274
1932	4	115,500	357,625
1933	4	85,291	258,399
		666,791	1,565,544

Evidence showed that the company largely concentrated its stores in the centres of population, and while recently more stores had been added in smaller towns, the average sale per unit was still well over the $100,000 mark.

Sales

Year	No. of stores	Total sales	Sales per store
1929	81	16,552,739	204,355
1930	95	18,435,087	194,054
1931	99	17,010,191	171,820
1932	104	15,120,934	145,394
1933	107	14,219,053	132,888
1934	111	14,780,558	133,158

Gross profits in the face of slightly declining sales appear to have been well maintained, with an average around 19 per cent in the last five years. The gross profit has shown practically no variation since 1930, but there has been much more fluctuation in the percentages each year.

Gross Profits

Year	Gross profit	% gross profit on sales
1929	2,646,736	15.99
1930	3,068,392	16.64
1931	3,067,000	18.03
1932	3,032,902	20.05
1933	2,998,044	21.08

National Grocers Control Vested In Senior Officials Hold Bulk Com. and Pref.

Who controls National Grocers?

This question was answered very definitely in the evidence submitted by Harry M. Cootes, of Fred Page Higgins & Co., commission auditors, before the Royal Commission on Price Spreads at Ottawa.

"Subject to the right of the preferred shareholders," read the statement of Mr. Cootes, "when dividends are in arrears for four quarters, to elect a majority of the directors, only common shares possess voting rights. At June 30, 1933, dividends on the preferred shares were in arrears for a period of approximately six years. Out of a total issued number of common shares of 295,852 there is deposited with the Toronto General Trusts Corp., under a voting trust agreement, 156,193 shares, and in view of the fact that control of the preferred shares lies in the same hands as those who deposited their common stock holdings in the voting trust, this voting trust at present actually controls the company. Of the shares deposited in this trust, the majority lies with Mr. Marland Woolnough and Mr. Archie Foster, chairman of the board and president respectively, of National Grocers."

Red & White Corp.

According to further evidence, National Grocers is affiliated with the Red & White Corp. of Canada, which in turn is affiliated with a corporation of the same name in the U. S. The Canadian organization was incorporated in 1927 to develop closer co-operation between independent grocer, wholesaler and manufacturer, and to convert the largest possible percentage of sales through groups of stores to its private brands. The revenue is derived from the sale of labels, wrappers, cartons, etc., in which its private brands are packed. The Red & White Corp. also receives certain sums for advertising from the wholesaler and retailer. The corporation is controlled by its affiliated wholesale grocers through their stock holdings.

In addition to their capital investment in Red and White Corp. the following wholesalers have also made it a joint loan of $5,000:

Western Grocers Ltd.

J. B. Renaud & Cie.

National Grocers Ltd.

Kelly, Douglas Co., Ltd.

Of the 76 shares, being the total issued and outstanding, those held by parties other than the interested wholesalers amounted to 12 as at Dec. 31, 1933. These were equally divided between:

S. M. Flickinger, S. M. Flickinger Inc., Buffalo.

Asa Strause, Red & White Corp., Chicago.

At this point in the evidence the following dialogue occurred:

Control in Canada

Question. Just twelve shares held in the United States?

Answer. Yes.

Q. It is, then, purely a Canadian corporation with only these twelve shares held in the United States?

A. Yes.

Q. It is affiliated with the Red and White organization of the United States which is quite a large organization and has established quite a reputation for its brands and stores over there?

A. Yes.

Q. In what way do you mean it is affiliated if all the shares except 12 are held in Canada?

A. They have the rights of the American company in Canada. There is nothing paid to the American company for those rights.

Total Sales Steady

Total sales of National Grocers, according to the evidence submitted at Ottawa, have held remarkably steady, notwithstanding a reduction in wholesale prices, which between 1929 and 1933 was estimated at fully 25 per cent. Total tonnage of goods handled during that period is believed to have remained stationary or slightly increased.

Gross profit as percentage of sales has also remained fairly steady with a slight though gradual decline since 1929.

Sales and Profits

Year:	Total Sales $	Gross Profit as % Net Sales
1926*	19,209,351	....
1927	21,275,008	....
1928	20,407,219	11.13
1929	20,914,534	11.25
1930	21,300,559	10.77
1931	18,945,013	10.98
1932	18,106,737	10.71
1933	18,538,203	10.54

*10½ months.

The bulk of the sales of National Grocers are through independent grocers and one or two large independents such as Miracle Marketerias and Don Avon Marketerias of Toronto. While the volume of business through the Red and White chain and the disappearing Leader stores showed an increase of from about 16 per cent of total sales in 1931 to almost 24 per cent in 1933, still over 75 per cent of the total business went to independents.

Sales Outlets

Year	No. *Chain Stores	% of Total Sales
1930	650	....
1931	691	15.87
1932	718	19.13
1933	705	23.87

*Red & White and Leader Stores.

Salaries paid to the four executive officers, consisting of the president, who also served as general manager; the chairman of the board (on salary since 1930), the vice-president and the secretary-treasurer, have also been reduced. In 1925 a total of $47,000 was paid to three individuals, while in 1933 earnings of the four mentioned amounted to $35,500.

Operating expenses have steadily receded from a high in 1927 of approximately $1,890,000 to $1,556,000 in 1933, while the trend of net profits has been similar.

Expenses and Profits

Year	Operating Expenses	Net *Profits
1927	$1,891,393	......
1928	1,796,501	......
1929	1,789,807	$398,996
1930	1,836,632	330,546
1931	1,645,027	234,637
1932	1,551,860	311,922
1933	1,556,138	330,151

*As adjusted by subtracting proportion of previous losses due to surplus equipment sold, etc.

TAMBLYN ESTATE CONTROLS CHAIN OF DRUG STORES

Imperial Tobacco Controls Policy on Sales of Tobacco

Record of G. Tamblyn Ltd. since its inception in 1928 is one of a profitable investment for shareholders. This was the story revealed to the Royal Commission on Price Spreads recently by H. W. Driver, C.A., of Fred Page Higgins & Co., one of the commission auditors. Control of the company, it was revealed, is held by the estate of the late Gorden Tamblyn, who died in 1933, and control of its tobacco sales policy is indirectly held by Imperial Tobacco Co.

Mr. Tamblyn opened his first store in Toronto in 1904 with a capital of $400, and he opened another in 1907. In 1908 W. E. Corlett entered the business with $1,000. From this small beginning, the firm grew until the United Cigar Stores bought it between 1915 and 1919 for $225,000. The stores were later transfered to Metropolitan Tobacco Co., subsidiary of Imperial Tobacco Co.

Bought for $650,000

In 1927 and 1928 Messrs. Tamblyn and Corbett bought the company back from Metropolitan Tobacco Co. for $650,000 by selling $700,000 of preferred stock with a bonus of 4,900 shares of common to the public.

The capital of the company in 1928 and in 1933 is shown below:

Capital of G. Tamblyn Ltd.

	1933 sh.	1933 $	1928 sh.	1928 $
Preferred	5,017	501,700	7,000	700,000
Common	28,000	177,289	28,000	181,009
Deferred	1	1	1	1
Surplus		669,069		nil
Total		1,348,059		881,010

Control of Estate

Mr. Tamblyn bought 27,992 common shares for $39,992 in 1928, and some of these shares were given to investors as a bonus with preferred shares. Drug Holding Co. is now the registered owner of 14,100 of the common shares and has control. It, in turn, is controlled by executors of Mr. Tamblyn's estate who are registered owners of 122,978 of the 200,000 shares of Drug Holding Co. The Ottewell Co., c/o Chemical Bank & Trust Co., New York holds 9,359 shares of G. Tamblyn Ltd.

Metropolitan Tobacco Co. holds the one deferred share, which is redeemable at $1 after 1938. It carries the right to elect one director, who would have power to take complete direction of the tobacco business of the Tamblyn stores, if he so desired. Testimony was that this share gave Imperial Tobacco Co. control over the Tamblyn tobacco policy up to Jan. 31, 1938. Mr. Driver indicated that the tobacco end of the business has been run in accordance with the wishes of Metropolitan Tobacco Co.

G. Tamblyn Ltd. has paid regular dividends on its seven per cent preferred shares since 1928 and up to 1933 had redeemed 1,983 of them at an average cost of slightly under $100 each.

The sales and earnings record is shown below:

Earnings of G. Tamblyn Ltd.

	Net sales $	Cost of goods $	Gross margin $
1928	2,546,833	1,810,438	736,394
1929	3,490,430	2,470,394	1,020,036
1930	3,676,437	2,615,107	1,061,330
1931	3,872,249	2,750,304	1,121,944
1932	3,760,796	2,714,991	1,045,804
1933	3,265,777	2,331,937	933,840

	Net earn. $	Div'ds on pfd. $	Share earn. pfd. $	Share earn. com. $
1928	134,771	42,875		3.14
1929	184,312	46,900	27.51	4.91
1930	170,066	43,260	27.51	4.53
1931	179,234	40,649	30.87	4.95
1932	135,421	37,842	25.30	3.48
1933	112,118	35,330	22.19	2.74

Executives salaries are as follows:

Executives' Salaries

	No.	Total amount
1928	3	37,823
1929	3	48,232
1930	3	53,583
1931	3	52,719
1932	3	55,394
1933	4	49,028

Western Grocers Declares 50 Cent Dividend on Com.

A dividend of 50 cents on the common shares, the first on this class of stock in seven years, has been authorized by the directors of Western Grocers, Ltd.

The company's net earnings for the fiscal year ended Dec. 31, 1933, were $188,094 as compared with $141,136 in 1932. Earnings in the current year are understood to be running well ahead of the same period in 1933.

The recently announced dividend is payable Jan. 15, 1935, to shareholders of record Dec. 20, 1934. The last dividend on the common stock was one of $1 per share paid in 1927.

UNITED FARMERS REPORT SURPLUS; TO PAY DIVIDEND

Change Previous Deficit to $34,945 Profit—Reduces Debt

Net earnings of $39,620 as against a deficit of $2,490 in the previous year were reported by the United Farmers Co-operative Co. for the fiscal year ended Sept. 30, 1934. After deducting taxes and the previous deficit of $12,940 a surplus of $22,005 was reported. In consequence the directors declared a dividend of 25 cents per share which is about equivalent to five per cent of the present capital.

INCOME AND SURPLUS ACCOUNT
Years Ended September 30

	1934 $	1933 $
Net earnings	39,620	†2,490
Prov. for inc. tax	4,675	......
Net profit	34,945	2,490
Previous deficit	12,940	79,553
	22,005	*77,063
Add: Divd. No. 12 rev.	......	45,539
Gen. res. fund trans.	......	18,584
Net oper. def. cream. branches	......	▲
Balance forward	22,005	*12,940

* Deficit.
▲ Deducted from net earnings in 1933.
† After deduction of $61,747, representing net deficit for year, creamery branches.

Working Capital

	1934 $	1933 $
Current assets	465,685	427,436
Current liabilities	387,704	373,021
Working capital	77,981	54,415
Ratio	1.20—1	1.14—1

Working capital of $77,981 was up from $54,415 reported in 1933. Current assets of $465,685 are largely made up of inventory which stood at $285,170 as against $266,194 for the previous year. Accounts receivable, less reserve for bad debts of $21,804, were $175,085 which was about $25,000 above 1933.

Current liabilities of $387,704 were mostly made up of a secured bank loan of $264,400 and a bank overdraft of $15,844. The bank loan was up nearly $1,000 over 1933, but the overdraft was reduced by a little over $35,000. Accounts payable totalled $97,311 as compared with $47,934 the previous year and unpaid dividends of $6,825 showed little change.

The company is an Ontario farmers' co-operative trading organization, handling livestock and other farm products, manufacturing butter, and selling supplies to farmer patrons. The stock is largely held in small amounts by Ontario farmers.

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• F. W. WATTS

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TORONTO
A Gift to Treasure

More Steamship Lines

Two, and perhaps three new steamship lines will be making the Port of Saint John their terminus this winter, Thomas Naglé of the Saint John Harbor Commission reports. He looks for a busy season at the port.

IMPERIAL BANK OF CANADA

60th ANNUAL STATEMENT

Year Ending October 31st, 1934

Profit and Loss Account

Balance 31st October, 1933		$ 581,282.21
Net profits for the year ended 31st October, 1934, after making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made		1,231,992.97
		$1,813,275.18
Dividends at the rate of 10% per annum	$ 700,000.00	
Contribution to Officers' Guarantee Fund	7,500.00	
Contribution to Officers' Pension Fund	40,000.00	
Reserved for Contingencies	300,000.00	
Dominion Government and other Taxes, including tax paid on circulation and Reserve for Income Tax	170,000.00	
Balance of Account carried forward	595,775.18	
		$1,813,275.18

BALANCE SHEET

Liabilities

Notes in Circulation		$ 8,375,638.00
Deposits by and balances due to Dominion Government	$ 3,498,177.90	
Deposits by and balances due to Provincial Governments	2,248,389.12	
Deposits by the public not bearing interest	15,353,916.39	
Deposits by the public bearing interest, including interest accrued to date of Statement	85,661,459.70	
		106,761,943.11
Advances under the Finance Act		1,590,000.00
Deposits by and balances due to other Banks in Canada	$ 2,254,426.30	
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	1,083,350.80	
Letters of Credit Outstanding	435,066.58	
		3,772,843.68
Total Liabilities to the Public		$120,500,424.79
Capital Paid Up	$ 7,000,000.00	
Reserve Fund	8,000,000.00	
Dividends declared and unpaid	176,431.48	
Balance of Profits as per Profit and Loss Account	595,775.18	
		15,772,206.66
		$136,272,631.45

Assets

Gold and Coin	$ 531,544.17	
Dominion Notes	9,283,913.00	
United States and other Foreign Currencies	38,413.41	
		$ 9,853,870.58
Deposit in the Central Gold Reserves		2,000,866.66
Deposit with the Minister of Finance for the security of note circulation		456,723.24
Notes of other Banks		388,510.00
Cheques on other Banks		6,744,666.19
Due by other Banks in Canada		606,103.86
Due by Banks and Banking Correspondents elsewhere than in Canada		2,666,986.35
		$ 22,717,726.88
Dominion and Provincial Government Securities direct and guaranteed (maturing within two years), not exceeding market value	$ 3,611,065.80	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value	20,126,944.66	
Canadian Municipal Securities, not exceeding market value	5,465,264.78	
Other Bonds, Debentures and Stocks, not exceeding market value	154,007.70	
		29,357,282.94
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	$ 7,012,892.97	
Loans to Provincial Governments	3,200,013.53	
Loans to Cities, Towns, Municipalities and School Districts	7,550,297.73	
		17,763,204.23
Other Current Loans and Discounts in Canada, less rebate of interest, estimated loss provided for		58,926,933.08
Non-current Loans, estimated loss provided for		298,333.49
Real Estate other than Bank Premises		196,255.03
Mortgages on Real Estate sold by the Bank		400,037.22
Bank Premises, at not more than cost, less amounts, if any, written off		6,000,000.00
Liabilities of Customers under Letters of Credit as per contra		435,066.58
Other Assets not included under the foregoing heads		177,792.00
		$136,272,631.45

FRANK A. ROLPH, *President.*
A. E. PHIPPS, *General Manager.*

AUDITORS' REPORT TO SHAREHOLDERS.

We report to the Shareholders of the Imperial Bank of Canada:—

That we have examined the above Balance Sheet as at 31st October, 1934, and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank, and is as shown by the books of the Bank.

The above Balance Sheet does not include money which has been set aside by the Shareholders from time to time for the purpose of a Pension Fund.

A. B. SHEPHERD, F.C.A.
of Peat, Marwick, Mitchell & Co.
D. McK. McCLELLAND, F.C.A.
of Price, Waterhouse & Co.

Toronto, 19th November, 1934.

Bank Chat on Current Topics

Bank State Reports Coming

IMPERIAL BANK OF CANADA has started the annual flow of statements for the nine Canadian chartered banks. Barclays has also reported but is owned abroad, and is thus distinct from the other banks in not being of Canadian origin.

Bank of Montreal's fiscal year ended Oct. 31, and it is expected to be the next to present the record of its year's operations. Statements will appear and meetings will be held as follows:

Bank:	Year ends	Report appears about	Meeting to be held
Imperial	Oct. 31	Nov. 22	Nov. 28
Montreal	Oct. 31	Nov. 30	Dec. 3
Can. Nationale	Nov. 30	Dec. 26	Jan. 16
Provinciale	Nov. 30	Dec. 31	Jan. 30
Royal	Nov. 30	Dec. 27	Jan. 10
Dominion	Dec. 31	Jan. 19	Jan. 30
Toronto	Dec. 31	Dec. 29	Jan. 23
Commerce	Dec. 31	Dec. 26	Jan. 8
Nova Scotia	Dec. 31	Jan. 22	Jan. 30

* * *

Earnings Outlook

BANKERS may be well warned not to look for increased earnings in all the statements. While some of the individual banks may report higher profits, the trend of banks' funds from loans into securities in the past year is expected to result in lower earnings for the banks as a group. Thus, some of the banks are expected to show little, if any, improvement in earnings.

If, despite increased bank investments in gilt-edged securities, all the banks were to show higher earnings, there could be two possible explanations. Either allowances for possible losses and other deductions prior to arriving at the net earnings figure have been reduced; or the full benefit of the reductions in interest rates on savings deposits have not been passed on to customers.

* * *

Banks Live on Spread

AS EVERY banker knows, the profit of his institution depends largely on the spread between the rate of interest earned and that paid on deposits. The average rate earned has been reduced on certain loans and by investment in securities as loans contracted. The average rate paid by banks has dropped, chiefly through the cuts in payments on savings accounts.

Despite the improbability of substantially increased earnings this year, bank statements are expected to reflect the general improvement in business. Deductions for losses and depreciation of securities may be smaller. And the remarks of presidents and general managers will probably hint that recovery is coming. The possibility of a return to the international gold standard, the outlook for the Bank of Canada and the revision of the Bank Act are likely to be the other major topics for the bank executives' comments.

* * *

Choice of Weapons

PROFESSOR G. F. Drummond of the University of British Columbia has called G. G. McGeer, Vancouver's talkative monetary reformer, a "money mystic." Mr. McGeer challenged Mr. Drummond to go to the mat with him. Mr. Drummond demanded, however, that Mr. McGeer define his monetary terminology and then stick to the definitions. And he insisted that emotional rhetoric, Biblical quotations, diatribes against institutions or persons, and unnecessary verbiage be barred.

The rules laid down by Professor Drummond amount to specification of rapiers for the duel rather than axes or brickbats.

* * *

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

S. BLAIS, for some years manager at Hintonburgh, suburb of Ottawa, to be manager at Hawkesbury, Ont.

W. T. THOMPSON, formerly assistant manager at a Toronto branch, to be manager at Hintonburgh.

F. E. QUINLAN to be acting manager at Cadomin, Alta.

The Royal Bank of Canada announces the following staff changes:

J. R. DIER, formerly manager at Barrie, Ont., to be manager at Kitchener, Ont.

J. M. BERNUY, formerly at Atwater & Notre Dame, Montreal, to be manager at Verdun & Third, Verdun, Que.

A. E. BRUNDRETT, formerly manager at Kitchener, Ont., to be manager at Walkerville, Ont.

H. L. AUSTIN, formerly manager at Sherbrooke, Que., to be manager at Quebec city.

A. T. HILLARY, formerly accountant at King & Church, Toronto, to be assistant manager at Halifax, N.S.

A. E. HOCKLEY, formerly of supervisor's department, Toronto, to be assistant manager at London, Ont.

B. B. CARTER, formerly manager at Quebec city, has retired on pension.

ROYAL BANK OF SCOTLAND

(Incorporated by Royal Charter, 1727)

Capital (fully paid) £ 3,780,192
Reserve Fund ..... £ 3,780,926
Deposits £59,257,330

General Manager
William Whyte

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(Members of the London Bankers' Clearing House)

Current Events in Banking World

IMPERIAL BANK PROFITS HIGHER AS LOANS RISE

Earns $17.60 a Share Compared With $17.20 in 1933 Year

DEPOSITS GAIN

Current and Call Loans in Canada Rise Against General Trend — Liquid Assets Increase

Imperial Bank of Canada had net profits of $1,231,993, after deduction of all operating expenses, equivalent to $17.60 a share, in the year ended Oct. 31, 1934, according to the recently issued annual report. This compares with profits of $1,204,038, equivalent to $17.20 a share, in the preceding fiscal year. The balance sheet shows gains in loans, deposits and investments.

The calculation of share profits, after deducting taxes and provision for contingencies, shows earnings of $10.89 a share in the 1934 fiscal year, compared with $11.20 in 1933; this being chiefly due to an increase of $50,000 in the provision for contingencies.

Income Treatment

As in 1933, the new statement shows no deductions from earnings for writeoff of bank premises or depreciation of securities. The latter may not now be necessary, and the bank is starting construction of new head office premises. Earned surplus was increased $14,493 after all appropriations, including dividends at 10 per cent.

Income account follows:

IMPERIAL BANK OF CANADA INCOME AND SURPLUS ACCOUNT
Years Ended October 31

	1934	1933
	$	$
Net profit*	1,231,993	1,204,038
Less appropriations:		
Dividends	700,000	700,000
Fed. & other taxes	170,000	700,000
Officers' guar. fd.	7,500	7,500
Officers' pension fd.	40,000	40,000
Res. for contin. res.	300,000	250,000
Surplus for year	14,493	36,538
Add: Prev. surplus	581,282	544,744
Balance forward	595,775	581,282

*After making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made.

Loans Increased

Increases in current and call loans in Canada and a rise of less than $1,000,000 in holdings of government securities are among the features of the balance sheet. For the banks as a whole, the trend in the past year has been declining loans and increasing investments. For this reason there has been some anticipation of reduced bank earnings this year. The increase in loans for the Imperial Bank is considered an important factor in bringing about the improvement in profits.

Loans to municipalities were down about $1,000,000 from 1933, the decrease being partly offset by a gain of some $300,000 in loans to provinces. Holdings of municipal securities were down over $700,000.

Liquid Assets Up

Immediately available liquid resources totalled $38,259,734, compared with $37,688,107 in 1933.

Deposits were $116,727,581 at Oct. 31, compared with $113,939,267 in 1933, including balances due to the Dominion and provinces. The latter are shown separately for the first time, in accordance with the revised Bank Act. The bank's advances under the Finance Act are limited to the special loan made to all banks on the government's initiative in 1932. Notes of the bank in circulation, indicative of increased business, were up to $8,375,638 this year, compared with $7,900,218 at Oct. 31, 1933.

The statement, being at Oct. 31, does not show the effects of the Nov. 1 reduction of the interest rate on deposits to two per cent. It does, however, show a full year at the 2½ per cent rate inaugurated May 1, 1933. As indicated before the House of Commons committee on banking this year, the effect has not been baneful to bank earnings. The results of lower income from invested funds, however, do not appear to have been felt strongly by the Imperial Bank.

GENERAL STATEMENT
As at October 31

	1934	1933
Assets		
Immediately Available Liquid Resources	$	$
Specie	531,544	492,148
Dominion notes	9,283,913	9,469,309
Foreign curr.	38,413	22,040
Gold reserve	2,000,867	1,400,867
Due by U. K. bks.	2,666,986	990,080
Due by for. banks		2,444,652
Govt. sec. short term*	3,611,066	22,849,083
Other govt. secs.*	20,126,945	
	38,259,734	37,668,107
Loans and Securities Other Than Those of Canadian Government		
Municipal secs.*	5,465,264	6,375,481
Other bds. deb. stks.*	154,008	
Can. call loans	7,012,893	5,987,722
Current loans	58,926,933	57,465,120
Loans to munic., etc.	7,550,298	8,540,192
Loans to prov. govts.	3,200,014	2,878,576
	82,309,410	81,247,091
Due from Other Banks		
Notes of other banks	388,510	423,825
Cheques on other bks.	6,744,666	6,024,037
Due from other bks. in Can.	606,104	656,301
	7,739,280	7,104,163
Other Assets		
Non-curr. loans	298,333	238,362
Real estate	196,255	166,746
Mortgages	400,037	430,231
Letters of credit	435,067	1,091,531
Bank premises	6,000,000	6,000,000
Dep. re circ. fund	456,723	443,420
Other assets	177,792	101,450
	7,964,207	8,471,740
Total assets	136,272,631	134,491,101
Liabilities		
To the Public		
Notes in circ.	8,375,638	7,900,218
Adv. Fin. Act	1,590,000	1,590,000
Deposits:		
Due to Dom'n.	3,498,178	......
Due to Prov's.	2,248,389	......
Non-int. bearing	15,353,916	21,148,927
Interest bearing	85,661,460	83,300,122
	116,727,581	113,939,267
To banks abroad, etc.:		
Foreign banks	1,083,351	902,708
Letters of credit	435,067	1,091,531
	1,518,418	1,994,239
To Canadian banks	2,254,426	2,799,776
	120,500,425	118,733,282
To Shareholders		
Dividends, etc.	176,431	176,537
Reserve	8,000,000	8,000,000
Capital	7,000,000	7,000,000
Surplus	595,775	581,282
	15,772,206	15,757,819
Total liabilities	136,272,631	134,491,101

*Not exceeding market value.

How to be a Director

Reader of The Financial Post Outlines Simple Method of Becoming a Director of the Bank of Canada

From Our Own Correspondent

MONTREAL — Election to the board of directors of the Bank of Canada should not present any problem to the energetic shareholder aspiring to that exalted position.

Theoretically it is an easy matter to become a member of the board. All one needs is a minimum of 10 shares and sufficient energy to gather enough proxies to ensure election.

One reader of The Post who takes an interest in abstruse financial matters, suggests the following plan as a sure way to get elected, if the Government doesn't step in and veto the nomination.

Support of Friends

The holder of 15 shares goes to six friends who also hold 15 shares each. He says to them—"How would you like to be a director of the Bank of Canada? Between us we represent all the groups eligible for election. Now if you will give me your proxy, I'll give you mine."

The proxies being exchanged, the "candidate" now has control of the voting power on 105 shares.

His next step is to go to another group or individual with the same suggestion, and if "flattery is the oil that makes the wheels go round" more proxies are secured.

By working the same "racket" throughout Ontario and Quebec, it would be only a matter of time before the "candidate" had rounded up enough votes to ensure his election at the meeting next January.

Will Use Veto Powers

This weakness in the set-up of the Bank of Canada is fully recognized by the Federal authorities. Undoubtedly there will be a record number of nominations. It is also likely that the government will use its veto powers to weed out those nominees who are not fully qualified, aside from having the necessary number of shares, to fill the important task of guiding the policies of the central bank.

Close Thirteen Bank Branches And Open One

Closings of 13 bank branches and only one branch opening are shown in the bank directory for November.

Total branches of the Canadian banks are shown in the directory at 3,753. Of these, 3,602 are in Canada, 25 in Newfoundland and 126 elsewhere. This compares with a total of 3,796 at Dec. 31, 1933, and 3,943 branches at the end of 1932.

The one branch opening reported is that of an Imperial Bank branch at Jellicoe, Ont. Closings are reported as follows:

Place	Bank	Date Closed
Benson, Sask.	Imperial	Nov. 30
Cadogan, Alta.	Commerce	Oct. 31
Canfield, Ont.	Royal	Oct. 31
Enterprise, Ont.	Royal	Oct. 31
Fisherville, Ont.	Royal	Oct. 31
Halbrite, Sask.	Imperial	Nov. 15
Ladysmith, B.C.	Royal	Oct. 31
La Have, N.S.	Commerce	Oct. 31
Lewvan, Sask.	Imperial	Nov. 15
Moorefield, Ont.	Commerce	Oct. 31
Neustadt, Ont.	Commerce	Oct. 31
*Priceville, Ont.	Commerce	Oct. 31
Toronto, Ont. (Centre Is.)	Dominion	......

*Sub Branch.

Bank Chairman

HON. J. M. WILSON

Who has withdrawn from the presidency of Banque Canadienne Nationale because of ill health. Mr. Wilson has become chairman of the board.

SHERBROOKE TRUST EARNS 6% DIVIDEND

Net Profits Slightly Below 1933 — Liquid Assets Are Up

While earnings of Sherbrooke Trust Co. for the year ended Sept. 30, 1934, were slightly lower than in 1933, the dividend rate of six per cent was earned by a margin of $3.70. After depreciation and taxes, there was a net profit of $29,124 as compared with $31,591 in the year previous.

Earnings per share amounted to $9.70 on the paid up capital and $300,000 as against $10.53 in the previous period.

Debentures outstanding rose from $308,531 in 1933 to $335,438 in 1934. Deposits were also up slightly from $1,032,665 in 1933, to $1,050,194, and trust accounts under administration were up from $2,855,035 to $2,911,711.

Liquid assets of $474,941 showed a fairly substantial increase from $433,006 in 1933, or over 45 per cent of deposits as compared with 42 per cent in the previous year.

Mortgages Down

Mortgage investments were down to $1,222,161 from $1,256,113 in 1933 but the contraction according to a statement to shareholders from W. A. Hale, president, was more than offset by an increase in high-grade bonds which were carried at cost, the market value being practically $25,000 higher. "It is gratifying to announce again that no defaulted bonds are carried," states W. A. Hale, who added that the company had now completed 60 years in business.

The record of earnings of the company has been as follows:

Earnings Record

Year	Paid-up Capital	Net Profits	Div. Rate	Rate Earned per sh.
	$	$	$	$
1931	300,000	†27,565	6	9.18
1932	300,000	†26,464	6	8.82
1933	300,000	†31,591	6	10.53
1934	300,000	†29,124	6	9.70

† After taxes; and after depreciation on premises and furniture as follows: $5,079 in 1934; $5,040 in 1933; $5,028 in 1932; $4,985 in 1931.

Year	Guar. Account	Estates under Adminis.	Total Reserves*
	$	$	$
1929	1,137,646	2,159,531	160,385
1930	1,163,304	2,208,447	177,002
1931	1,268,031	2,315,216	188,107
1932	1,290,374	2,440,882	192,115
1933	1,341,196	2,855,034	205,178
1934	1,385,632	2,911,711	213,213

* Includes contingent reserve and unappropriated profits.

Vice-president

CHARLES LAURENDEAU, K.C.

For some years a director of Banque Canadienne Nationale, who has been elected a vice-president of the bank, a position also held by Sir J. George Garneau.

B.C. TO CONSERVE HERRING OUTPUT FOR USE AS FOOD

Will Cancel Licenses to Reduction Plants on Coast

From Our Own Correspondent

VANCOUVER.—British Columbia intends to develop her herring fisheries on a large scale and expand her export markets in this commodity, especially in the Far East. The provincial government has abandoned the old policy of letting reduction factories utilize herring for meal and fertilizer. In future the herring resources will be regarded exclusively as a food and they will be conserved to that end.

The provincial government controls the issuing of licenses to reduction works, but lacks authority over herring fishermen. When W. A. Found, federal deputy minister of fisheries, was on the coast provincial fisheries officials conferred with him and suggested that restrictions should be placed on the catch of herring. Mr. Found intimated that so long as the province continued to license reduction works the federal government would not interfere with the fishermen.

Cancel All Licenses

Convinced that continued use of herring in reduction works would result in depletion of the herring fisheries, the provincial government announced its decision to cancel all licenses for reduction works.

Packers are now concentrating on restoring the export trade in dry salt herring. About 25,000 tons of this commodity will be shipped from Vancouver Island packing plants this season to Oriental markets alone. At $30 a ton, this represents about $750,000. This is a long way short of the volume handled a few years ago, however.

The peak of shipments of dry salt herring to the Orient was 53,000 tons.

Owing to the lateness of the season, the board will not handle salt salmon this year. The herring goes chiefly to China, the salt salmon to Japan.

Weekly Bank Clearings

	Nov. 22 1934	Change yr. ago	Nov. 15 1934
	$	%	$
Halifax	2,494,211	+17.4	2,335,490
Saint John	1,612,292	+10.4	1,534,536
Moncton	688,314	— 6.6	638,632
Sherbrooke	524,374	+10.6	546,715
Quebec	4,259,866	+22.5	4,048,588
Montreal	94,389,622	— 4.2	89,602,236
Ottawa	4,874,215	+ 9.8	4,162,313
Kingston	521,629	+ 7.0	562,722
Peterborough	537,438	+ 7.0	693,071
Toronto	124,176,832	+18.7	104,571,307
Hamilton	3,632,233	+ 3.4	3,511,472
Kitchener	1,064,636	+15.8	945,099
Brantford	795,240	+13.8	675,557
London	2,530,486	+18.8	2,845,154
Chatham	561,452	+12.2	483,611
Windsor	1,872,662	—14.0	1,894,492
Sarnia	547,304	+ 8.7	376,771
Sudbury	601,987	+ 5.7	804,904
Ft. William	755,077	+40.3	618,572
Winnipeg	54,298,978	+ 8.2	54,410,559
Brandon	326,582	+19.8	323,980
Regina	4,135,208	+24.8	3,835,009
Moose Jaw	557,883	+ 8.2	499,253
Saskatoon	1,604,792	+ 9.4	1,503,560
Prince Albert	315,729	+30.2	317,514
Edmonton	4,164,270	+21.4	4,003,264
Calgary	6,716,544	+25.3	6,183,163
Medicine Hat	257,707	+12.6	256,840
Lethbridge	522,397	+45.4	537,322
N. Westminster	459,810	+25.8	447,668
Vancouver	14,677,890	+ 2.7	13,918,674
Victoria	1,343,509	— 0.6	1,382,247

Foreign Branches

Recent closings of foreign branches of Canadian banks indicate that busines abroad has become increasingly unprofitable for our banks. Exchange and trade restrictions, combined with the diminished volume of international trade, have been the major factors in bringing about the closings.

It is doubtful whether some of the branches that have been closed will be reopened for many years. Latin America has demonstrated too much political and economic stability for the liking of many bankers.

Sees Debt Arrangement Act Successful in Difficult Job

Hon. M. A. MacPherson Reviews Methods of Settlement Being Used — Says Interest Rate Reduction Most Important

Reports already received of settlements made under the Farmers' Creditors Arrangement Act have been most cheering and most encouraging, although operations under the Act have hardly started, Hon. M. A. MacPherson stated in an address before the Canadian Club in Toronto recently. Some hundreds of applications have been received by the office of the Superintendent of Bankruptcy under this Act, he added, while official receivers throughout the West are beseiged by farmers requesting information—many of whom will later apply for settlements.

The way in which settlements are being arranged was explained by Mr. MacPherson as follows:

Recast Agreements

"Vendors of land are recasting their agreements with their purchasers, reducing the principal sum, reducing the yearly payment, and reducing the interest rate; farmers who have become involved in more land contracts than they should have had are being relieved from some of them and returned to undertakings which they can handle; mortgagees are rearranging their mortgages, providing substantial bonuses for payments to be made in the future until arrears of interest are wiped out and in many instances voluntarily agreeing to reduce the interest rate."

It was Mr. MacPherson's opinion that reduction in interest rates was the most important and most necessary relief that the western farmer could obtain. He added: "The rate which he has so generously contracted to pay is, to my mind, placing on him a burden which, in these days of low prices, is inviting disaster in attempting to pay."

Handle Complaints

Although the Act was quickly proving its place in the Federal statute book, many complaints have already been received, it was learned. "I am daily getting reports from farmers to the effect that the creditors are unreasonable," Mr. MacPherson declared, "and likewise reports from the creditors that the farmers are asking too much. I have endeavored, and am endeavoring, to bring the two together."

Mr. MacPherson explained that when it was suggested to him that creditors were merely giving what was described as "lip-service" to the Act, he had countered by indicating evidence of what he believed to be a very real desire on the part of the larger creditor interests to make settlements.

Provincial Act Useless

The Farmers' Creditors Arrangement Act was passed by the Federal Government after a survey of the debt situation in the rural districts of Canada, Mr. MacPherson pointed out. Provincial moratory legislation, passed in the western provinces, was not only unsuccessful in helping the farmer but created doubt in the minds of creditors as to the safety of their investment.

"In passing the Federal Act," he said, "Parliament kept in mind that there was a natural pride on the part of our people which caused our farmers to hesitate when the term 'bankruptcy' was used. Parliament, therefore, passed this simple Act, set up the simple machinery, keeping in mind that there were two types of farmers in difficulties—those who were so hopelessly involved that only through the bankruptcy court could they get relief and a fresh start, and those who, technically insolvent, with sufficient assets but in default and in the position where rearrangement of their debts was necessary.

Assist Both Types

"The law passed at the last session of Parliament provides for assistance for both types of men. To the man who is hopelessly involved the benefits of bankruptcy legislation are brought to his very locality. Instead of seeking the Official Receiver under the Bankruptcy Act in the populous centres at an expense which he cannot afford, he can go to an Official Receiver in any county or judicial district of Canada who can take his assignment and deal with it summarily and inexpensively.

"To the other man, the man who is in difficulties but who simply requires rearrangement to get out of his position of default, this same official can call together the creditors, can endeavor to make a rearrangement or a readjustment of the debt load and if he is successful, as in so many cases we have actually found from the short experience of the Act that he is successful, start both debtor and creditor off on a new basis calculated to ensure success both to the farmer and to his creditor under the obligations newly created.

Merely Conciliator

"The Official Receiver, at the stage that the matter is before him is simply a conciliator. He has no power to dictate to creditors or to the farmer; he uses his good offices, he exerts his powers of ingenuity and persuasion in an effort to get the parties together. If he succeeds, then his success is incorporated by resolution in the Minutes of the meeting, which are approved by the court, and this approval means that the farmer, under his new contracts, proceeds to carry on without supervision from the Official Receiver, unless and until he is in default for reasons within his control, when he may be petitioned against.

"If, however, attempts at conciliation fail and the parties do not get together before the Official Receiver, is that the end of it? The answer is definitely 'No.' The farmer or any one of his creditors may request that the matter be heard by the board of review. In each province there is a board of review, consisting of a chief commissioner, a judge of the supreme court, and two other commissioners. This board gives consideration to the farmer's difficulties, may hear evidence, if necessary, and can definitely and absolutely formulate a proposal which will be binding on both the debtor and the creditors.

Plan For Success

"You can see, therefore, that the legislation provides for some measure of finality through proposals formulated by the board of review, but to my mind this legislation can be termed successful and will be successful only when in the majority of cases the farmer and his creditors, around a common board, discuss their difficulties and settle them without resort to that tribunal which may make arbitrary rulings."

Farmers Get Booklet

A booklet has been sent out to farmers and others interested, by Hon. E. N. Rhodes, explaining the purposes and workings of the act.

LYALL TRUSTEE TO PAY DIVIDEND OF 7½ PER CENT

Creditors of Bankrupt Firm Will be Paid on December 3

From Our Own Correspondent

MONTREAL. — Creditors of P. Lyall & Sons Construction Co. (in liquidation) will be paid a dividend of 7½ per cent on December 3rd., according to a notice issued by George S. Currie, liquidator. This is in line with story carried in The Financial Post the early part of the month.

The liquidators' notice is accompanied by report of operations since the last previous report was issued on January 10th. It reads as follows:

"Back River Power Company: The deposit with accumulated interest now totalling $236,528 in connection with this contract, as stated in previous reports, should be released in February, 1935, and upon release of this money I will be in a position to make a further distribution to the creditors.

"Welland Ship Canal—Section 3 and 4: The physical work on this contract has now been completed and a final settlement with the Government was obtained in September last.

"Claims — Federal Government: The situation regarding these is not changed since my last report, and it has not yet been possible to arrive at any adjustment of these claims with the Government.

"Real Estate: As stated in my previous report, it has not been possible to dispose of the property on Western avenue, Montreal, but the leases presently in force cover the carrying charges on the property. Any realization from the property in Winnipeg would appear to be very doubtful.

"General: As indicated in the foregoing, it will be impossible to make a final distribution to the creditors until the following matters have been concluded:—

(1) Release of the deposit in connection with the Montreal Island Power Company contract.

(2) Disposition of the properties already referred to.

(3) Settlement with the Government in respect of the claims of the estate."

A WORD TO TRAVELLERS . . . about Funds

It is desirable when travelling abroad to carry Travellers' Cheques and Letters of Credit rather than any considerable sum of cash. Apart from the extra risk it entails, Canadian currency carried abroad involves exchange, with consequent delays and inconvenience.

Letters of Credit and Travellers' Cheques issued by The Dominion Bank are honoured in United States, Great Britain, Continental Europe, and throughout the world. Our nearest branch manager will gladly arrange your requirements. Consult him.

THE DOMINION BANK

ESTABLISHED 1871

BRANCHES THROUGHOUT CANADA AND OFFICES IN NEW YORK AND LONDON

Mica Production Higher

Mica production in Canada showed a large gain for the first half of 1934, when the output totalled 836,200 pounds, compared with 218,000 pounds in the corresponding period of 1933. This gain is reflected in the export trade.

CANADA — has — the Empire's largest Steel printing plant

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SIZE in itself may not impress you, but the steady and uninterrupted growth of an institution can fairly be taken as evidence of ability. The plant of the Canadian Bank Note Company, located in Canada's capital, is the largest in all the British Empire. Here you will find men with long years of training in the exacting art of steel engraving—making plates from which are printed Bank Notes, Bonds, Stock Certificates and all descriptions of Monetary Documents, so beautifully and exactly done that they defy the utmost efforts of duplication and meet every requirement of prestige and security.

We shall be glad to discuss with you the preparation of any such documents.

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FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright: preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

DIVIDEND NOTICES

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 10th day of January, 1935, at 11 o'clock a.m.

M. W. WILSON,
General Manager.

Montreal, December 1, 1934.

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1934, making a total distribution of ten per cent for the current year—the Dividend will be payable at the Head Office of the Bank and its Branches on and after Wednesday, the 2nd day of January, 1935, to shareholders of record of the 20th December, 1934.

By Order of the Board.

Dudley Dawson,
General Manager.

Toronto, 15th November, 1934.

Ford Motor Company of Canada, Limited

DIVIDEND NUMBER 33

The Board of Directors has declared a cash dividend of seventy-five cents (.75) per share, payable on all of the outstanding shares of the company on December 17th, 1934, to shareholders of record at the close of business November 30th, 1934.

D. B. GREIG,
Secretary.

East Windsor, Ont.,
November 23rd, 1934.

CANADA PERMANENT MORTGAGE CORPORATION

Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT for the current quarter, being at the rate of EIGHT PER CENT PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable WEDNESDAY, THE SECOND DAY OF JANUARY next, to Shareholders of record at the close of business on the Fifteenth day of December, 1934.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, November 21st, 1934.

Quebec Apartments, Limited

Notice to Bondholders

By the Plan of Reorganization adopted February 5th, 1934, the holders of the 6½% First Mortgage Bonds due 1940 are only entitled to receive in respect of every $100 principal amount thereof, $50 principal amount of new 5% First Mortgage Bonds due 1950 and one share in the reorganized capital stock.

Bondholders are reminded that the interest due January 1st next, can only be paid on presentation of the coupon attaching to the new bonds. Bondholders who have not exchanged their Bonds should obtain from the Montreal Trust Company, P. O. Box No. 1590, Montreal, P.Q., a letter of Transmittal to be used in surrendering the same.

QUEBEC APARTMENTS, LIMITED.
O. D. McCOOEY,
Secretary.

Quebec, Nov. 21st, 1934.

Do You Know What Your Competitors Are Doing?

Manufacturers should know what dealers are advertising their products, what dealers are advertising their competitors' products.

We supply news data of this nature on all subjects appearing in the Canadian, English and United States newspapers and periodicals.

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481 University Ave., Toronto 2

Wheat

Stronger Tone To Market

WINNIPEG — Harvesting has commenced in the early crop districts of the Argentine, and the fact that the first wheat is reported to be rather poor in quality, together with somewhat unfavorable weather in later districts, which may also result in impaired quality, has imparted a slightly stronger tone to the market. In addition Liverpool advices are that British millers are showing a somewhat greater interest in Canadian wheat, and some observers report indications that demand for wheat from this country is likely to be stronger until shipments of new crop wheat from the Argentine commence in quantity in January.

There is enough old crop wheat to permit continuance of large shipments without a break, but if it is established that the new crop is definitely lower in quality there will probably be a slackening in pressure to market it. Total crop in the Argentine is still estimated tentatively at about 225 million bushels, but this is subject to considerable possible revision.

Harvest of the earliest part of the crop has also commenced in Australia, and estimates of total yield continue to be in the neighborhood of 125 to 135 million bushels. Grasshopper damage recently reported is indicated to have been comparatively small.

* * *

Demand Exceeds Supply

DEMAND from the United States for low grade wheat continues to be in excess of available supplies in shipping position, and feed wheat advanced to the point where it was sold at 6½ cents under the December future. No. 1 Northern has been commanding two cents a bushel over the near-by future, as holders of contracts have been protecting themselves against the probable delivery to them of No. 2 Northern at the beginning of next month, by paying a premium for the higher grade.

* * *

Effect of Buda-Pesth Meet

WHETHER it is coincidence or not, the current meeting of the International Wheat Commission at Buda-Pesth has been marked by a recession in market prices for wheat, just as has been the case with all previous meetings of the committee. These meetings are invariably accompanied by the issuance of statements which if not issued by a body ostensibly working to increase the international price of wheat would be regarded as bearish propaganda.

Ineffective as such statements are in alarming different countries into accepting a tight control by the committee of their wheat export business, they appear to have some effect in discouraging the purchase of wheat. The market professes to pay little attention to the deliberations of the committee, and at no time does there seem to have been any expectation that it would bring about any changes of importance, but the continual emphasis of the unfavorable features of the wheat situation, and ignoring of favorable features does seem to have some effect.

Shippers Store in Buffalo Await U.S. Duty Changes

From Our Own Correspondent

WINNIPEG.—Uncertainty as to possible changes in United States duties is one reason for the continued favor of the Buffalo route for grain shipped down the lakes, as compared with Montreal. Wheat placed in store in Buffalo, or carried there on vessels for winter storage is at least in a position to take advantage of any changes that may take place.

Vessels on the Montreal route have succeeded in maintaining the lake freight rate of 6 cents a bushel. Those responsible for its maintenance argue that, even if the business to Montreal has been cut in two this year, attempts to meet the much lower rates to Buffalo would have availed nothing, as business was bound in any event to go mainly by the United States route. In the past week owing to the demand for space on the latter route, and the fact that United States vessels have been offered other cargoes for movement before freeze up, rates to Buffalo have advanced by approximately one cent a bushel.

Acme Glove Works Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 1⅝% (One and Five-Eighths Per Cent) has been declared on the 6½% cumulative First Preferred Shares of the capital stock of the Company, and that such dividend, amounting to 81¼c. (Eighty-one and One-quarter cents) per share, will be paid on the 15th day of December, 1934, to the holders of such shares of record on the share records of the Company at the close of business on the 30th day of November, 1934.

By Order of the Board,

A. LEPINE, Secretary.

Montreal, November 26th, 1934.

Grain and Milling in Canada

BRANTFORD CORD. REPORTS BIG GAIN BUT STOCKS HIGH

Twine Official Cautious Regarding Future — Expects Keen Competition

Brantford Cordage reported a net profit of $222,043 for the fiscal year ended Aug. 31, 1934, or more than double the $94,320 earned in 1933. After dividends on the first preferred stock there was a surplus of $103,663 as against a loss in the previous year of $30,333. During the year first preferred shares to the par value of $57,875 were retired through sinking fund. No dividends were paid on second preferred or common shares.

Cautious on Outlook

Notwithstanding this improvement W. M. Messecar, president of the company, is extremely cautious regarding the future. "While the statement shows an improvement over the previous year," he says, "the outlook for the future is clouded by an unprecedentedly heavy carryover of surplus twine from last season in the hands of manufacturers and dealers throughout North America and the effect of this condition on future operations cannot at present be determined.

Keen Competition

"Crop conditions over wide areas of Canada and the United States were very unsatisfactory," continues Mr. Messecar, "and conditions generally during the year were very difficult. Most foreign markets are now closed to us either by protective tariffs or difficult exchange conditions; and with binder twine entering Canada free of customs duty, this country has become a dumping ground for foreign twine produced in countries where living conditions and wage levels are much below Canadian standards. We were, however, fortunate in contracting for our raw materials at favorable moments on fluctuating world markets and our good fortune in this respect has enabled us to make a better showing than would otherwise have been possible."

INCOME AND SURPLUS ACCOUNT
Years Ended August 31

	1934 $	1933
Net earnings	345,518	‡101,320
Less: Depreciation	83,933	......
Taxes	39,542	......
Less: Sundry exp.	......	—7,000
Net profit	222,043	94,320
Less: 1st pref. divs.	118,380	124,657
Surp. for year	103,663+	30,337
Add: Prev. surp.	907,065	909,714
Disct. on shares	3,627—	27,688
Balance forward	1,014,355	907,065

‡ After depreciation and taxes. †Deficit.

In his statement accompanying the annual report a year ago, it might be mentioned that Mr. Messecar was also rather cautious although the company earned $1.11 on the first preferred against only 14 cents in 1932. But earnings of this company have fluctuated widely in the last seven years and of course, it depends very largely on the Canadian grain crop for a livelihood.

Big Inventory

Inventory, like earnings, has also varied, this item being valued at the close of the 1934 fiscal year at $929,703 as against $558,691 in 1933. Incidentally this is the largest inventory reported by the company in the last seven years, though, as the fiscal year ends before normal harvesting has been completed it is reasonable to expect that supplies have been reduced materially in the first two or three months of the current year.

There was not a great deal of net change in other current assets which totalled $2,329,624 as compared with $2,185,969 in 1933. Cash at $924,075 was down from $1,290,333 but Dominion Government bonds valued at cost of $99,100 compared with $47,481, were up. Bills receivable, less reserve for bad debts at $376,746 were up considerably from $289,464 in the previous year.

Current liabilities of $67,288 were up slightly from $52,688 a year ago.

Working Capital

	1934 $	1933 $
Current assets	2,329,624	2,185,969
Current liabilities	67,288	52,688
Working capital	2,262,336	2,133,281
Ratio	34.62—1	41.49—1

German Import Needs Materially Reduced

Marked improvement in the quality of the 1934 wheat crop in Germany will probably permit substantial reductions in imports for mixing purposes during 1934-35, despite the great reduction in the 1934 crop caused by drought, according to a report received by the United States Department of Agriculture from its Berlin office.

A prolonged period of hot, dry weather, earlier this year, favored the development of an unusually high gluten content in the 1934 crop and resulted in a higher weight per bushel. Imports for mixing purposes during 1934-35 are expected not to exceed 7,300,000 bushels as compared with 28,000,000 bushels in 1933-34.

Export of Wheat Of Lowest Grades Limited by Supply

From Our Own Correspondent

WINNIPEG.—Demand continues for low grade wheat, "unfit for human consumption" in the words of the United States tariff, for export to that country to take advantage of the ten per cent tariff instead of the normal tariff of 42 cents per bushel. So too, continues the peculiar price situation in which No. 6 wheat, the lowest grade likely to be so admitted, is worth two cents a bushel more than No. 5 wheat, and in which No. 4, No. 6, and feed wheat are worth practically the same price.

Since advantage cannot be taken at Vancouver of this market, for the low export rate on wheat is not available on wheat shipped to the United States, Vancouver feed wheat is worth 13 cents a bushel less than the same grade at Fort William, while No. 1 northern is discounted by only slightly more than 2 cents, and No. 4 wheat by 4 cents a bushel.

The extent of business with the United States is limited by the comparatively small quantities available of No. 6 and feed wheat. One day's inspections at Winnipeg, for example, out of 676 cars inspected, showed only 6 cars grading feed and 47 cars grading No. 6.

Should the demand from south of the line continue, it is expected that endeavors will be made to get higher grade wheat admitted under the feed tariff by denaturing it to a sufficient extent to make it unfit for milling, by an admixture of a small percentage of artificially colored kernels. That, however, will presumably do more good to the Argentine than to Canada, as wheat from that country is available at lower prices than the higher grade Canadian wheats.

BRITISH WONDER ABOUT WESTON BREAD BUSINESS

Say Three Companies Bought Constitute Only Preliminary Skirmish

The recent purchase in England by George Weston, Ltd., of Chibnall's Bakeries, Ltd., has been followed by reorganization under the name of Chibnall's Holding Limited, with a nominal capital of $250,000.

The filing papers state that an agreement has been made by this company with George Weston to carry on the business of wholesale and retail bread manufacturing, manufacturers or producers of and wholesale or retail dealers in foodstuffs and provisions, confectioners, grocers, bakers and general provision merchants, as well as to establish tea rooms, restaurants, refreshment depots for the sale of bread, biscuits and other farinaceous foods and products.

A dispatch to the Northwestern Miller from London, England, comments on this new move as follows: "This is an ambitious and comprehensive enterprise, launched to compete with such outstanding and successful caterers as J. Lyons, Ltd., The Aerated Bread Co. Ltd. and several other firmly established caterers and restaurateurs. If run on Canadian lines, this company may compete successfully at least for a time. Geo. Weston, Ltd., has also acquired some long-established Scottish bakeries, Mitchell and Muils of Aberdeen and J. K. Smith and Sons of Edinburgh.

Management on Spot

"This invasion of the British bakery trade by Canadians is understood to be only the preliminary skirmish and a more intensive campaign is to follow during the next few years. This is not the first time that attempts have been made to capture some of the trade of the British Isles by millers and bakers of North America, but in the past such efforts have met with failure. One of the leading English trade papers says, 'It used to be thought that long distance control of a large business made it a risky enterprise; apparently George Weston, Ltd., does not share that opinion.'"

In the last comment, the English trade paper is wrongly informed. Garfield Weston, president of George Weston, is spending most of his time in England and one of his chief lieutenants is spending a good part of each year there as well. It is apparently intended to have management on the spot.

ORIENTAL MARKET SEEMS ONLY HOPE FOR PRESENT SALES

Other Importing Countries Filling Small Needs from Argentine

From Our Own Correspondent

WINNIPEG. — Increase of wheat shipments to the Orient is a development which may seem to be of greater importance before long. Argentine has made some fairly substantial shipments both to China and to Japan, and the greater part of current shipments from Australia are destined to China. The extent of wheat trade with China is always very difficult to calculate in advance, but it is considered hopeful for further business when it commences in quantity this early in the calendar year. But except for that development, there has been very little recent change in international wheat trade.

Great Britain continues to buy wheat in approximately the same quantity as last year, but to buy mainly from the Argentine, so that not for years has so small a percentage of Canadian wheat been going into the manufacture of the daily bread of Britain as today. Italy, which is expected to buy fairly large quantities of wheat later on, still remains aloof. Germany, which really needs wheat imports to supplement her recent harvest, is tightening her belt rather than permit the importation of foodstuffs for which she might be unable to pay. France has still an awkward surplus which she is dumping on any market that will take it regardless of the cost to the government, which has paid to producers at least three times the amount that it is sold for.

Imports at Low Ebb

Other European countries are importing practically no more wheat than last year, and such gaps as have been left by the lack of Danubian and Russian exports this year are being filled by Argentine wheat.

At Winnipeg, prices waver uneasily a few points above the level of the lately established peg. It is presumed that the government agency has recently been inactive, neither adding to its large commitments in the market, nor letting go any of the futures which it holds. Daily deliveries in the country have now shrunk to less than three quarter of a million bushels a day, less than the combined export and domestic requirements, so that the visible supply of wheat in Canada has now probably reached its maximum. In the meantime transactions on the market have been reduced to a minimum, with considerable intervals when no business at all is done. Export business comes into the market not steadily, but spasmodically.

Meagre Export Demand

Exporters at present are able to fill their meagre requirements by purchases which balance the hedging sales made by elevator companies. Shortly, however, the time must come, if export business is to continue in any volume at all, when that will not be possible, and when in essence exporters or foreign buyers must deal directly with government agency, because no one but that agency will have available wheat.

The policy then to be pursued is still a matter of doubt. The agency may be willing to sell wheat at the pegged price it set itself, or it may decline to sell at such a level, and hold out for something higher. Some business, it is generally conceded, could be transacted if the Canadian level of prices were held still higher, but probably a good deal less than is now being done, while conversely more business could be done at a lower level.

Doubt Over Price Level

The level at which the government agency will choose to sell will presumably be governed by the quantity it is desired to sell. Since the agency presumably holds the same views as formerly, that it will be necessary for other countries to come to Canada for large quantities of wheat before the crop year is out, it is not thought likely that there will be much early pressure to sell.

On the other hand foreign buyers are not likely to change their waiting policy until they are fairly sure of the outcome of the Argentine and Australian crops. Should the prospective out-turn from the southern hemisphere be suddenly reduced from what now appears to be in sight there might be a prompt movement to protect future requirements, but failing that, no early change is anticipated.

B. C. Distributor Added to Board Of Maple Leaf

E. E. Buckerfield, of Vancouver, a large distributor of the company's products in British Columbia, was added to the board of Maple Leaf Milling Co. at the annual meeting this week. Mr. Buckerfield represents the common shareholders under the terms of the recent reorganization and fills the vacancy left by the death of the late Robert Cooper, of Welland.

On the board to represent common shareholders along with Mr. Buckerfield are C. W. Band, who is also vice-president, and J. L. Henderson. Under the reorganization plan holders of the three management shares are entitled to elect the remaining six board members, who are: Messrs. C. A. Dunning, D. C. MacLachlan, A. C. Matthews, H. E. Sellers, R. S. Waldie and E. R. Decary.

The meeting was a routine affair with the annual financial statement adopted. Shareholders also received the supplementary letters patent under which the reorganization of the company was made.

Option Expires Of Silverwood's On Dairy Corp.

The option of Silverwood's Dairies Ltd. to purchase Dairy Corp. has expired, The Financial Post is informed, and so far there is no immediate prospect of it being taken up again. In the meantime, Dairy Corp. is proceeding with development under the recent reorganization which after many difficulties was finally ironed out two weeks ago. It is believed, however, that negotiations between the two dairy companies mentioned have not been finally terminated.

Had there been no unusual delay in cleaning up the Montreal situation following approval of the reorganization scheme of Dairy Corp., it is understood that something definite in the way of amalgamation or purchase would have been proposed last summer. Anything of this nature now, however, is not expected until spring.

CANADA NORTHERN POWER'S REVENUE GAINS IN OCTOBER

Advance in Expenses Cuts Down Net Income — Output Higher

From Our Own Correspondent

MONTREAL. — Further increase in gross revenues of Canada Northern Power Corp., subsidiary of Power Corp. of Canada, were largely offset by higher expenses, according to a statement issued on the October returns.

For the month under review gross income totalled $368,363 compared with $325,545 for October, 1933. Operating expenses advanced $39,028, largely because of the purchase of additional power and increased taxes and maintenances, leaving net operating revenue at $236,466, or $3,790 more than was reported a year ago.

For the 10 months period ended with October gross earnings of the company reached $3,419,636, representing an increase of $393,765 over that reported for the same period in 1933. Operating expenses advanced from $914,117 to $1,164,723, leaving net income at $2,254,913. This contrasts with $2,111,754 for the first 10 months of last year.

Power Output Gains

Power output for last October amounted to 47,352,172 kw.h., an increase of 5,158,062 kw.h. over the output for the same month last year, and bringing the total output for the ten months to 437,119,966 kw.h. This compares with 391,418,830 kw.h. for the corresponding months of 1933, an increase of 65,592,530 kw.h.

During October 118 new customers were added to the company's system, bringing the total as at the end of the month to 14,353. This compares with 13,299 at the end of October, 1933.

Public Utility Earnings

Canada Northern Power Corp.

	1934 $	1933 $	Increase $
October:			
Gross earn.	368,363	325,545	42,818
Oper. exp.	131,897	92,869	39,028
Net earn.	236,466	232,676	3,790
10 Mos. end. Oct. 31:			
Gross earn.	3,419,636	3,025,871	393,765
Oper. exp.	1,164,723	914,117	250,606
Net earn.	2,254,913	2,111,754	143,159

Barcelona Traction

	1934 $	1933 $	Increase $
October:			
Gross earn.	9,600,485	9,179,078	421,407
Oper. exp.	3,326,279	3,475,176	*148,897
Net earn.	6,274,206	5,703,902	570,304
Ten Months:			
Gross earn.	95,681,727	92,694,157	2,987,570
Net earn.	61,305,914	60,334,892	971,022

* Decrease.

National Light and Power

10 Mos. end. Oct. 31:	1934 $	1933 $	Increase $
Gross earn.	405,975	395,657	10,318
Net earn.	167,021	152,319	14,702

Key Facts About Wheat

	Week bu.	Previous Week bu.	Same Week Year Ago bu.
Canadian Wheat in Store:			
Fort William, Nov. 23	58,632,000	59,274,441	61,897,612
Country elevators, Nov. 16	98,411,290	98,728,966	104,459,039
Total, all points, Nov. 16	255,987,231	255,513,245	247,657,067
World Shipments, incl. flour: Nov. 23:			
North American	3,443,000	3,081,000	5,675,000
Argentine	3,924,000	3,965,000	482,000
Black Sea*	nil	336,000	1,784,000
Australian	1,198,000	2,812,000	1,488,000
Total, world	10,111,000	10,384,000	9,716,000
Visible Stocks:			
Canadian	142,353,000	141,613,000	130,486,000
United States	93,285,000	95,700,000	135,744,000
Argentine	13,594,000	14,329,000	8,818,000
Australian	15,248,000	16,480,000	3,496,000
Country Marketings & Exports:†			
Canadian exports, Nov. 16	2,645,534	3,000,545	3,673,783
Cum. to Nov. 16 (16 weeks)	47,252,398	45,226,864	58,675,397
Country marketings, Nov. 9	6,952,855	8,073,798	6,672,399
Cum. to Nov. 9 (15 weeks)	147,380,278	140,427,423	138,074,887
Country deliveries, Nov. 23‡	4,290,000	5,437,000	4,201,000
Country loadings, Nov. 23‡	5,069,000	5,606,000	3,940,000

* Includes South Russia. † Excluding flour. ‡ Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to November 27

Crop year from Aug. 1, 1934 High	Low		Open Nov. 21	High for week	Low for week	Close Nov. 27
		Wheat				
.97	.74⅝	December	.78	.78¼	.76¾	.77¾
1.00½	.79⅝	May	.82⅝	.83	.81½	.82⅝
.85¾	.82⅛	July	.83⅝	.83⅝	.82⅛	.83½
		Oats				
.47⅝	.38½	December	.42¼	.42⅛	.40⅝	.41¼
.49⅝	.39¾	May	.44⅛	.44⅝	.43⅛	.43⅝
.44½	.42¾	July	.43¾	.44	.43	.43⅝
		Barley				
.63¾	.49	December	.53⅛	.53⅝	.52	.53⅝
.65	.50¾	May	.55⅝	.56½	.54¾	.56⅛
.56¾	.53⅝	July	.55⅝	.56¼	.54¾	.56⅛
		Flax				
1.74¾	1.19	December	1.34	1.36⅝	1.33¾	1.35⅝
1.73½	1.28	May	1.39⅛	1.43⅝	1.38	1.41⅝
1.43	1.40	July	1.40½	1.43	1.40	1.42⅝
		Rye				
.77	.51¼	December	.56⅛	.57¼	.56	.56⅝
[illegible]	[illegible]	May	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	July	[illegible]	[illegible]	[illegible]	[illegible]

$90,000.00 CITY OF ST. CATHARINES, ONTARIO

4% COUPON DEBENTURES

SEALED TENDERS, endorsed "Tenders for City of St. Catharines Debentures," will be received by the undersigned until five p.m., Monday, 3rd December, 1934, for the purchase of the following debentures:—

$65,000.00	Direct Relief 4% Serial Debentures, maturities 1-5 years.
11,000.00	Trunk Sewers 4% Serial Debentures, maturities 1-11 years.
14,000.00	Fire Truck 4% Instalment Debentures, maturities 1-5 years.
$90,000.00	

1. Debentures will be dated 1st December, 1934.
2. Coupons will be attached for the payment of interest at the rate of 4% per annum, payable half-yearly.
3. Debentures will be payable both as to principal and interest at the Imperial Bank of Canada, Toronto.
4. Denomination of debentures will be in $1,000.00 amounts as nearly as possible.
5. The right is reserved to reject any or all proposals.
6. For further particulars and financial statement apply to the undersigned.

City Treasury Department,
St. Catharines, Ontario,
27th November, 1934.

STUART K. WATT,
Commissioner of Finance.

TORONTO ELEVATORS LIMITED

Two Modern Elevators
All Grades of Grain
Toronto — 2 Million Bushels
Sarnia — 3 Million Bushels

First to Open—Last to Close

MASTER FEEDS
For Livestock and Poultry

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also Owning and Operating
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DAILY CAPACITY 20,000 BARRELS
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LIMITED
LOCATED AT FORT WILLIAM ON C. N. R. & C. P. R.
ELEVATOR ABSOLUTELY FIREPROOF THROUGHOUT
OPERATED BY ELECTRICITY—CAPACITY 5,750,000 BUS.
Frederick B. Wells, President
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GRAIN COMPANY LIMITED
Owners and Operators Country Elevators and Terminals
Exporters and Shippers
SMITH, MURPHY CO. INC.
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Head Office: 919 Grain Exchange, Winnipeg
Branch Offices: Toronto and Vancouver

N. M. PATERSON & COMPANY LTD.
Own and Operate
One Terminal Elevator in Winnipeg
Two Terminal Elevators in Fort William
109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.

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LIMITED
WINNIPEG, MAN.
GRAIN COMMISSION MERCHANTS
Shippers and Exporters
All Grains-Sacked Feeds
Operating Country Elevators
MANITOBA
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OPERATING TERMINAL ELEVATORS - FORT WILLIAM - PORT ARTHUR - VANCOUVER
423 COUNTRY ELEVATORS THROUGHOUT THE WEST
101 COAL SHEDS
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Terminal Elevator at Port Arthur
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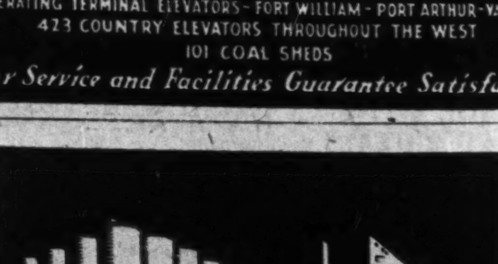

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Insurance for Buyer and Seller

WAWANESA LOSS MATERIALLY CUT BY NEW CLAUSE

Automobile Experience Poor — Premiums Written Gain

Marked improvement in loss experience of farm fire business is reported this year by the Wawanesa Mutual Insurance Co., the improvement being directly credited to the recently initiated policy of the company, under which half of the amount of loss is withheld until rebuilding operations have been completed. Other types of fire insurance also show better results this year but automobile loss ratio has increased considerably, particularly in Ontario.

A considerable gain in amount of premiums written in Ontario was reported by Major Howell Smith, Ontario manager, to The Financial Post. For the ten months ended October, premiums written, compared with a year ago, were as follows:

Premiums Written in Ontario (Ten Months to Oct. 31)

	1934	1933
	$	$
Fire	316,434	274,019
Automobile	114,383	94,585
Windstorm	10,536	5,530

Note:—Premiums written in Dominion in 1933 amounted to $1,240,000.

Losses Down Five Per Cent

"Loss experience in Ontario is approximately five per cent better than last year," Major Smith stated. "Fire business throughout the rest of the Dominion has shown improvement," he added. Although estimates of results of the year's business, made at this time, were naturally unreliable, Mr. Major Smith said that indications pointed to a $125,000 profit from western business. This would be a considerable improvement over last year's experience in that area.

Up to the end of August, automobile loss experience was running approximately 10 per cent above that of a year ago. Heavy losses in September and October, however, have increased this percentage to nearly 30, The Financial Post was told. Major Smith was inclined to attribute this increased loss to the advent of beer parlors in Ontario.

Preferred Risks

Explaining the new farm property policy issued by the company, Major Smith stated that it was designed to cut losses caused by careless or mercenary destruction of useless property by farmers. It was not suggested, he said, that farmers were dishonest. The clause in the policy which withholds half of the amount of loss until replacement operations had been completed does not penalize the honest farmer, he pointed out. If loans were necessary to complete the work, the company was willing to guarantee these.

Over 75 per cent of the business in Ontario was now written on this plan, it was stated. The balance is made up of policies which were written before the plan became effective or special risks which had been on the books for some time and on which there has been good experience.

Experience Better

In almost every case, mortgage holders were favorable to the plan but the Ontario Farm Development Board would not accept it under any consideration on property against which it had made advances. Experience with properties insured under the new plan this year is 27 per cent better than that under other plans, it was stated.

Expect Increased Rates For Automobile Insurance

Higher automobile premiums rates in 1935, in Ontario territories at least, seems the logical solution to the increased losses experienced this year in this class of business. That these losses have mounted materially since the sale of beer by the glass became legal in the province is the almost general experience of insurance companies interviewed by The Financial Post.

Increased losses ranging from 5 to 35 per cent above a year ago are reported by leading companies, much of this increase resulting from heavy claims during the past three months. "The situation is so bad at present that we would be better off without any automobile business on our books," one automobile manager told The Financial Post. "Stricter laws governing driving under the influence of alcohol or higher premium rates appear to be the only solution," he added.

Passenger Hazard Losses

For some time it has been known that the premium covering passenger hazard— usually $2 —has been inadequate. Losses are reported to be in the neighborhood of $5 for this risk. Some change in the rate for this coverage has been expected for some time. The $2 rate was designed merely as a temporary one when the risk was divided from public liability coverage. The situation has now broadened considerably and other rates are being considered inadequate.

Increasing losses have already had their effect on rates, Portage La Prairie Mutual, one of the largest individual non-tariff writers in the field, increasing their automobile rates to the tariff level some months ago. Another company operating outside the tariff group told The Financial Post that an increase in its rates was almost certain to be put into effect on January 1.

Await Annual Meeting

Just what action the board companies will take will not be known until after their annual meeting, scheduled to be held soon. Undoubtedly the question will be thoroughly discussed at that time and it is considered likely that some changes will be agreed upon.

C.F.U.A. Ottawa Branch Will Remain Open

The statement recently appearing in the Ottawa newspapers and reprinted in The Financial Post, that the Canadian Fire Underwriters Association planned to close its Ottawa office, is denied by R. Leopold Jones, assistant secretary of the C.F.U.A.

Mr. Jones states that the association's Ottawa office is still in existence and that there is no thought of closing it.

Licenses Issued

Pearl Assurance Co. has been granted a certificate of registry authorizing it to transact, in Canada, riot and civil commotion insurance, limited to the insurance of the same property as is insured under a policy of fire insurance by the company, in addition to the classes for which it is already registered.

Endorse Writing Of Synthetic Fleets

Usual procedure at agents' conventions is to adopt a resolution hitting companies which write synthetic fleet automobile risks. At a recent meeting of the California Association of Insurance Agents, however, the usual procedure was reversed and the following resolution adopted:

"Resolved, that this association, realizing the impossibility of educating those responsible for the chaotic conditions, temporarily withdraws all opposition to such flagrant bad practices with the hope that it will hasten the financial suicide of such carriers."

Vice-president

A. H. BEATON

President of the National Life, who was recently elected first vice-president of the Canadian Life Officers Association.

AETNA LIFE PLANS UPWARD REVISION OF NON-PAR RATES

Changes Effective Jan. 1 Also Include Annuities

General revision of the non-participating rates on insurance policies of Aetna Life will become effective January 1, according to a recent announcement made by the company. The small increase in rates is necessitated by the general fall in the rate of interest obtainable on all new investments, it is stated.

In addition to the increase in non-participating life rates, increases are also made in new annuities and retirement rates, participating life income plans. Particular attention is called to the "insurance with life income" plans in which increases in rate are accompanied by substantial increases in maturity values.

Changes Confined to Non-par

It is stated that the company's new single premium annuity rates are in line with the scale very generally adopted by most leading companies. New rates for participating retirement annuity policies are, during the period before the annuity is entered upon, based on 3 per cent instead of 3½ per cent. They will, therefore, it is pointed out, be entitled to higher dividends than participating retirement annuity policies issued at the old rate.

There are no changes in participating life insurance rates.

The company also announces that it will issue "insurance with life income" plans in the participating department as well as the non-participating department.

Increase Values

Non-forfeiting values will generally be increased on the "insurance with life income" plans. On other plans, except on family income policies, there is no change in non-forfeiting values except for some reduction in the values from the twelfth to the nineteenth years inclusive. The full reserve is given as a non-forfeiting value at the end of the twentieth year.

Some minor changes in the wording of policy contracts are effective January 1. These are merely alterations to ensure clear reading of the policy forms.

Relief Applicants Must Surrender Ins. Policies

When a life insurance policy has a borrowing power of $50 or more for a person with dependents and of $25 or more for a single person, after deducting two years' premiums, holders must obtain this loan value before being applicable for relief, according to a ruling made recently by the Quebec director of unemployment relief. In the case of industrial policies only, where the cash surrender value exceeds the same amounts policyholders are required to cash them unless health conditions are such that they cannot be reinsured.

The ruling was made at the request of a district relief administrator and was based on a section of the Quebec Unemployment Relief Act which states:

"Only needy persons having exhausted all their resources may benefit from unemployment relief funds."

In his reply, the provincial director of relief states: "I am convinced that, under the above-mentioned conditions, the interests of the unemployed are quite well protected and those of the governments are likewise safeguarded."

Provident Seeks Change Policies Subsidiary Cos.

Official sanction to the consolidation of the Trans-Canada Insurance Co. and the British Colonial Fire Insurance Co. with the Provident Assurance Co. was given Nov. 20 at a meeting of shareholders held at Montreal. For the present no information concerning the new board of directors for the Provident is available. Changes for the present board are expected, however.

Former agents of the Trans-Canada and British Colonial have agreed to act for the Provident and policyholders of these companies are being asked to sign an assumption certificate transferring their policies from the Trans-Canada or British Colonial to the Provident as at midnight, Dec. 31, 1934. To date, no refusals to do this have been brought to the notice of the company.

In a letter to policyholders of the Trans-Canada and British Colonial, the Provident, after explaining the sanctioned consolidation, states:

"In order to put this into effect it is necessary that each policy should be transferred to the Provident which will then assume the insurance as if it had originally issued the policy. Accordingly, you are requested to sign the original and the duplicate of the certificate which is printed below and attach the original to your policy, which will be evidence that the Provident has assumed the risk."

Then follows a draft assumption certificate, effective midnight Dec. 31, 1934.

FARM BOARD MAY LEND ON 2ND LIEN

Loan Men and Government Discuss Broader Loan Board Power

From Our Own Correspondent

OTTAWA. — Amendment of the Federal Farm Loan Act to permit the Farm Loan Board to lend money on second mortgage regardless of the ownership of the first mortgage has been discussed between the government and loan company officials. A representative delegation of mortgage men talked the proposal over with the government. The cabinet is considering the scheme, but has reached no decision.

As amended last session, the Farm Loan act permits the board to lend money on second mortgage, but only where the board holds the first mortgage. It is understood that the proposed change arises out of the work being done under the Farm Debt Relief statute. It is said that many cases have come to the attention of the mortgage men in which the position of a farmer would be substantially improved if his small debts could be gathered together and financed under second mortgage. Apparently these unsecured creditors would make large sacrifices in principal if the debtor could raise the money to pay them off.

London Life Changes Agency Departments

Announcement is made of the reorganization of the agency departments of the London Life. J. F. Maine, heretofore superintendent of industrial agencies, has been promoted to the position of agency executive, which office combines a wide variety of company interests.

The activities of both industrial and ordinary agencies are being placed in charge of J. G. Stephenson.

More Produce For U.S.A.

An increase of more than $1,000,000 was shown in the value of Canadian farm products exported to the United States in October, when they amounted to $2,647,000 as against $1,397,000 in the corresponding month last year, the Dominion Bureau of Statistics reports.

United States Fidelity & Guaranty Company
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51 YEARS' EXPERIENCE
providing
Personal Accident Insurance at Cost
$43,588,032.02 PAID TO MEMBERS
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Canadian Office
140 Wellington Street
OTTAWA, ONTARIO

Control of Universal Life Goes to S. C. Tweed, Kitchener

Purchase of the Universal Life and Annuity Co. of Winnipeg by a group headed by S. C. Tweed, formerly president and managing director of the Ontario Equitable Life of Waterloo was announced last week. Associated with Mr. Tweed as assistant manager is H. H. Gray, formerly general manager of the Commonwealth Life of Hamilton which was absorbed by the Empire Life in 1929. Recently Mr. Tweed has been chief agent in Canada for the Occidental Life.

Other officials of the new organization are: F. L. Ernst, secretary; E. W. Voelker, treasurer; Dr. J. H. McNally, medical director and Sydney H. Pipe, consulting actuary. Head office of the company is being moved from Winnipeg to Kitchener, Ont.

Annuity Business in Manitoba

Universal Life was organized in 1902 and has conducted a small local annuity business in Manitoba since that date. The last annual report of the Manitoba Superintendent of Insurance shows the company with total assets of $284,292, the bulk of which are held in mortgages. Paid-up capital stock is $25,000 representing a 25 per cent call on authorized and subscribed capital of $100,000. The new management has stated its intention of increasing this paid-up capital to $100,000. This would give the company a surplus of $75,000. Its last annual statement as submitted to the Manitoba Government for 1932 shows a nominal surplus of $337 over all liabilities including paid-up capital.

Former officers of the company were M. J. A. M. de la Giclais, president; Horace Chevrier vice-president; Antoine Griveau, secretary and treasurer, all of Winnipeg. The company had in 1932, $9,185 on deposit with the Manitoba Government. Net premiums received in cash in 1932 were $700 and total receipts $26,237.

The company intends to expand its operations under the new management to the field of low-cost life insurance.

MANITOBA REPORTS HIGHER PREMIUMS

Gain in Life Business Last Year — Fire, Auto Experience Good

A gain in life insurance premiums collected in Manitoba in 1933 of $134,000 over the previous year is recorded in the recently published annual report of the Manitoba superintendent of insurance. Premiums collected during the year amounted to $12,866,012, of which all but $138,870 was collected by Dominion licensed companies. Great-West, Sun and London are the leading companies in premiums received. The increase in premiums collected compares with a decrease in 1932 of $786,000 from 1931.

Death and disability claims paid during 1933 amounted to $2,304,000 as compared with $2,640,000 in 1932. Matured endowments and surrender values taken totalled $7,263,000 nearly $600,000 more than that paid in 1932.

Losses on hail and sickness and accident insurance were considerably greater in 1933 than in the previous year, but experience of fire and automobile insurance improved. Comparative loss ratios for 1933 and 1932 are shown as follows:

Loss Ratio in Premiums Collected

	1933	1932	1931
	%	%	%
Fire	31	36	55
Automobile	42	52	52
Liability	39	32	28
Sickness and accident	75	53	56
Hail	80	29	14

Insurance Inklings

ARTHUR G. DIXON, Canada Life, was recently elected president of the Life Underwriters Association of London.

Insurance Problems

Insurance questions of general interest submitted by subscribers o[f] The Financial Post will be answere[d] in this column. Other enquiries wil[l] be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Continental Life

Will you give me some information on the Continental Life? Is this a well-managed, sound company? Do they pay their claims promptly? Would you recommend an endowment at 60 for a young business man?

Continental Life Insurance Co. is a well established life insurance firm with a good record over a considerable number of years. It operates under a license from the Federal Insurance Department at Ottawa and has been in business since 1900.

There should be no difficulty in getting your claims paid promptly from this company.

The endowment at 60 is a good savings plan for a young man as long as the obligations he assumes are not too heavy.

By that we mean, that often young unmarried men take on fairly heavy obligations of this sort by way of a savings plan and do not leave themselves enough leeway to purchase necessary life insurance which they later require when married.

St. Paul Fire Reports Big Gain in Surplus

Underwriting profit of $304,887 was recorded during the first half of 1934 by the St. Paul Fire & Marine Insurance Co. from its operations in the United States and Canada. Appreciation of securities accounted for $3,564,000 additional and interest on investment totalled $625,767.

Dividends paid totalled $480,000 during the period, and reserve for income tax was set at $70,000. Increase in surplus during the half year was therefore $3,944,336, bringing the total to $18,876,289.

A Man lives too long —if his old age must be spent in poverty and want.
He dies too soon —if proper provision has not been made for the continued comfort of his family.
Endowment insurance affords protection against each of these possibilities. If the assured lives, the maturing endowment will provide an income for his later years and enable him to enjoy his leisure. If not, his family's needs will be taken care of.
Figures suited to your own particular requirements will gladly be furnished by your nearest Sun Life Representative.
SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE - MONTREAL

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The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.
Assets — $49,000,000.00
Independent Order of Foresters
FRANK E. HAND Supreme Chief Ranger
HEAD OFFICE: TORONTO, CAN.

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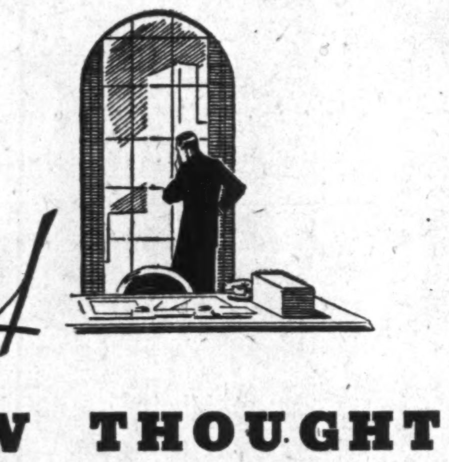
A NEW THOUGHT
For Men Who Think Ahead
It is essential to think ahead. Investment rules set up a few years ago are totally inadequate today. Conditions are constantly changing.
Here is a new provision, applicable to any Great-West life or endowment policy, which will appeal strongly to the man who thinks ahead. At a small outlay you can now give your family the additional protection of a monthly income in the event of death within a period of 10, 15 or 20 years ... as well as the regular settlement. Though its cost is small it adds tremendously to your insurance protection at a time when it is needed most. Inclusion of this additional protection does not change the cash value of your policy.
Find out about this valuable Family Protection feature. Write to our nearest Branch Office or to Head Office, Winnipeg.
THE GREAT-WEST LIFE ASSURANCE COMPANY

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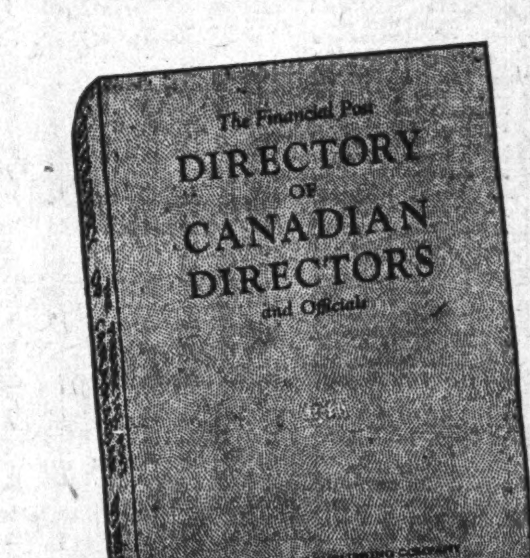
The Financial Post Directory of Canadian Directors and Officials


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1934 Dividend Payments 37.9% Above 1933 Total

December Payments Highest For Any Month in Years; Mines Play Santa Claus to Investors

Dividend payments by Canadian companies in December, will be the highest for any 1934 month and for any month for several years past, The Financial Post estimates from preliminary declarations. Bond interest payments due in December, however, are lower than for the 1933 month.

Total dividend payments for 1934 are 37.9 per cent higher than for 1933 and 12.6 per cent above those for the year 1932.

Declarations of dividends by Imperial Oil and International Petroleum on a semi-annual basis and bonus payments by these two companies are major factors in swelling the December total far above the 1933 figure.

Numerous Extras

Payment of 75 cents by Ford Motors and an "interim" of 50 cents by Moore Corporation help to raise the December total. New Method Laundry is to pay $1.62½ on its preferred shares, the last dividend having been paid in June. Acadia Sugar is to pay 7½ cents on arrears of preferred dividends and Melchers Distilleries has declared a 50-cent dividend on its A shares.

Mining companies are coming through with numerous Christmas dividends. Initial payments are being made by Kirkland Lake Gold, 3 cents; International Mining, 15 cents, and McKinley Mines, 2½ cents. Noranda Mines is to play Santa Claus to the extent of $1 a share, the first payment this year. Bralorne has declared an extra of 20 cents a share; Hollinger, 5 cents a share; Lake Shore, 50 cents, and Siscoe, 2 cents a share.

Year's Gain 37.9 Per Cent

Dividend payments of Canadian companies in 1934 will total $185,759,716, compared with $134,679,359 last year, a gain of 37.9 per cent. Every month of the year showed an increase except September, and this decrease was due to the change of dividend policies of the two oil companies mentioned in the foregoing. Monthly dividend totals for the past three years are as follows:

	1934	1933	1932
	$	$	$
January	14,416,545	13,854,450	20,400,598
February	3,783,396	3,335,428	4,095,424
March	17,267,509	16,754,000	18,944,826
April	12,265,579	11,602,414	21,273,875
May	4,793,184	2,931,000	4,674,523
June	41,938,738	17,497,407	19,342,689
July	16,432,866	12,672,273	16,008,127
August	4,463,924	3,260,000	4,391,902
Sept.	9,731,678	14,271,323	16,049,340
October	13,849,280	11,807,000	15,919,557
Nov.	4,188,056	3,656,148	3,652,381
Dec.	42,638,981	23,037,916	20,209,250
Total	185,759,716	134,679,359	164,962,592

$70,356,044 in Month

Total December, 1934, dividend and interest payments will amount to $70,356,044, compared with $53,481,897 in the 1933 month. The Post's compilation follows:

Summary of Payments

	1934	1933
	$	$
Dividends	42,638,981	23,037,916
Bond Interest	27,717,063	30,443,981
Total	70,356,044	53,481,897

DIVIDEND PAYMENTS

Company:	Rate	Date	Amount
Acadia Sugar, pfd.	7½cq	1	$ 22,500
Do., on arrears	7½c	1	22,500
Andian National	$1s	1	2,550,000
Anglo-Huronian	•40c	1	501,042
Bk. of Montreal	$2q	1	720,000
Bk. of Toronto	$2.50q	1	150,000
Bk. Can. Nationale	$2q	1	140,000
Beld.-Corticelli, pfd.	1¾q	15	15,142
Biltmore Hats, pref.	$1.75q	15	4,270
Bralorne Mines (extra)	20c	17	200,000
Bright, T. G.	7½cq	15	7,500
Do., pref.	1½q	15	12,000
Bulolo Gold	*90c	29	688,500
Canada Malting	37½cq	15	74,614
Canada Vinegars	40cq	1	36,800
Bk. of Commerce	$2q	1	600,000
Can. Celanese, pref.	$1.75q	31	157,500
Can. Hydro Elec., pf.	$1.50q	1	187,500
Dom. Scottish Inv., pfd.	25c	1	14,925
Ford Motors, A & B	75c	17	1,244,220
Hollinger Cons. Gold	5c	3	246,000
Do., extra	5c	3	246,000
Howey Gold	4c	1	200,000
Imperial Oil	25c+15c	1	10,742,860
Inter. Milling, pref.	1¾q	1	58,656
Do., A pref.	1½q	1	13,018
Inter. Mining	•15c	20	60,000
Inter. Nickel, c.	15c	31	2,187,603
Inter. Petroleum	56c+44c	1	14,324,088
Do., pref.	56c+44c	1	200,000
Kirk. Lake Gold	•3c	1	157,173
Lake Shore Mines	50cq	15	1,000,000
Do., extra	50c	15	1,000,000
Laura Secord	75cq	1	43,125
Loblaw Groc. A & B	25cq	1	207,657
Loew's London, pref.	3½s	10	11,809
McColl-Fron., c.	20cq	15	110,000
McKinley Mines	•2½c	1	28,096
McIntyre Mines	50cq	1	399,000
Melchers Distil., A	†50c	15	50,000
Montreal Cottons, pfd.	$1.75q	15	52,500
Montreal Loan	62½cq	15	15,000
Moore Corp., c.	‡50c	1	138,120
N. Meth. Laund. pfd.	$1.62½q	1	4,062
Noranda Mines	‡$1	20	2,239,772
N. S. Light & Pr., pfd.	$1.50q	1	18,750
Ogilvie Flour, pfd.	$1.75q	1	35,000
Provincial Bank	$1.50q	1	60,000
Reliance Grain, pref.	1⅝q	15	32,500
Rolland Paper, pfd.	$1.50q	1	22,500
Royal Bank	$2q	1	700,000
Siscoe Gold Mines	3cq	31	138,301
Do., bonus	2c	31	92,201
South Amer. Gold	10c	31	176,000
Sylvanite Gold	5cq	31	164,975
H. Walker-G. & W. pfd.	25cq	15	115,202
Total			$42,638,981

q—Quarterly.
s—Semi-annually.
*For year ending May 31, 1935.
•Initial.
‡Interim.
†On arrears.

BOND INTEREST DUE IN DECEMBER

Company:	Rate	Date	Due	Amount
Alta. Pac. Grain	6	1	1946	$ 80,340
Barcelona Tr. 1st mtge.	5½	1	1974	224,477
Bawlf Terml. B	6	1	1942	6,150
Bell Tele. B	5	1	1957	750,000
B. C. Tele. A	5	1	1960	250,000
Canada Paper A	6	4	1945	43,200
C.N.R. (Govt. gte.)	4½	15	1955	1,187,500
Do.	4½	1	1968	787,500
Can. Nor. Rly. 1st mtge.	4	1	1939	160,600
Do., Alta. gtd.	4	1	1939	111,732
Do., gold deb.	7	1	1940	832,265
Can. N. West. Rly.	4½	1	1942	144,540
C.P.R. Trust (gold)	5	1	1954	750,000
C.P.R. Note Cert.	4½	15	1944	476,536
Cons. Press	6½	1	1949	17,956
Consumers' Glass	5	1	1948	31,012
400 Avenue Rd.	7	1	1946	9,303
For. Pr. Secs. A	6	1	1949	125,160
Gatineau Power	5	1	1956	1,748,212
Do., S.F. debs.	6	15	1941	314,325
Godfrey Realty	6*	1	1942	43,260
H. Smith Paper A	5½	1	1953	185,047
Ind. Accept. A	6	1	1940	27,975
Inv. Bond & Sh. A	5	1	1947	53,787
Lake & Rail Ware. A & B	6	1	1951	54,810
Lon. Can. Inv. A	4½	1	1948	100,338
Montreal Coke A	5½	1	1947	100,347
Montreal Apts.	7	1	1938	21,542
Mt. Royal Hotel	5½	1	1947	97,900
Matapedia Val. L.	6½	1	1944	9,633
Nat. Paper Box	6½	1	1936	3,250
N. Que. Pr. A	6	1	1945	79,500
N. S. Light & Pr.	5	1	1958	105,625
Power Corp. A	5	1	1957	53,912
Quebec Power	5	1	1968	199,687
Ritz Carlton Hotel	5	1	1942	16,187
Riverside Iron	7	1	1947	6,562
Rolland Paper A	5½	1	1948	63,882
Shaw. Cotton	6	1	1949	22,020
St. Maur. Val. Cot.	6	1	1952	53,805
Standard Clay	6	2	1942	13,737
St. Regis Paper	6½	1	Serial	26,812
Wabasso Cotton	6	1	1947	22,755
Windsor Arms	6½	1	1947	11,105
Windsor Htl. A	6	1	1947	30,273
Corporation bonds				$9,454,559
Municipal bonds				9,371,568
Provincial bonds				2,392,692
Dominion loans				6,498,244
Total				$27,717,063

*3 per cent payment on arrears; $30.90 on each $1,000 bond.

EXPECT RELEASE NEW AUTOMOBILES EARLY NEXT MONTH

Factories in Production, Prepared for Heavier Volume

Almost any day now, the first of the 1935 automobiles will receive its premier showing in Canada. Already, certain makes have been shown to dealers in the United States and factory production of show models is going on steadily.

Although General Motors have, as yet, made no announcement regarding its 1935 line, particulars concerning the Oldsmobile are expected soon. It is rumored that the Pontiac 6, which was successful in the United States this year, will be on the Canadian market in 1935 along with the 8 cylinder model. Whether or not a new line of Buick cars will be produced at the present time is not known. Chevrolet plans, as far as release of the new model is concerned, are still in the air, the Ford and Plymouth situation being the deciding factor.

G.M. Expands

During the past few months, addition of two new assembly lines has been made at General Motors' Oshawa plant at a cost of approximately $300,000. These additions will enable General Motors to handle a considerably larger volume of business than in 1934. It is hoped to avoid the hold up of last spring.

Chrysler plans have not yet been announced officially, but it is believed that production of Dodge is well under way. It is understood that the company wishes to have cars in dealers' showrooms before official publicity is released. Last year it was found that while publicity concerning the new cars was at its height, dealers were unable to show models to the public, and could not promise a definite delivery date with the result that sales were lost.

Mechanical Changes

Many mechanical changes in the Dodge and Plymouth are expected though details are not available at this time.

Graham will definitely enter a competitor in the low-price field, although the actual price range has not been announced. It is expected that the new model will compete more in the higher-priced Dodge class than with Ford, Chevrolet and Plymouth.

Ford plans as far as release date is concerned are not yet definite, although first showing of the 1935 cars is not expected until the latter part of December.

Hudson Nearly Ready

Hudson recently showed 1935 models to Canadian dealers at a special convention at Detroit. Both Hudson and Terraplane lines are almost ready for the public.

Water Heater Output

Production in Canada of water heaters for domestic use numbered 39,424 units valued at $189,764. This total included 27,717 electric heaters at $102,966 and 11,707 gas heaters at $86,798.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING NOVEMBER 26

Range 1934 High	Range 1934 Low	Divd. Rate in $	Yield % on Nov. 23	Stock	Sales	Close Nov. 19 (or last)	Week Ending Nov. 26 High	Low	Close
[illegible]									

x Quotations for 1933. y Quotations for 1931. z Quotations for 1932. ‡ Plus 25c. on arrears. * See "Unlisted Stocks" also. — No sales recorded in 1934 to date. † Quotations for 1930. § New York Quotations. a On account of arrears.

Active Corporation Bonds

(Furnished by Royal Securities Corp., Toronto)
November 27, 1934

Public Utility Issues:	Int. Rate	Due	Nov. 27 Bid	Nov. 27 Asked	Nov. 20 Bid
Avalon Telephone	5½%	1948	97½	...	...
Beauharnois L. H. & Power	5½%	1973	100	101½	100
Beauharnois Power Corp.	6%	1959	70½	...	71
Beauharnois Power Corp.	5%	1973	55½	57½	55½
Bell Telephone	5%	1955	108½	110½	109
Bell Telephone	5%	1957	109½	111½	109½
B. C. Power	5%	1960	100½	102	100½
B. C. Power	5½%	1960	105	106½	105
B. C. Telephone	5%	1960	103½	105½	104
Calgary Power	5%	1960	99	100½	98½
Calgary Power	5%	1964	97	99	96½
Canada Northern Power	5%	1953	96½	98	96½
Cedars Rapids Mfg. & Power	5%	1953	110	111½	109½
Dominion Gas & Electric	6½%	1945	62	64½	63½
Duke-Price Power	6%	1966	94½	96½	94½
Gatineau Power	5%	1956	94	96	94
Gatineau Power	6%A	1941	90½	92½	91
Gatineau Power	6%B	1941	90	92	90
International Hydro-Electric	6%	1944	45½	48½	46½
International Power	6%	1957	87	...	83½
International Power	6½%	1957	88½	...	84½
Jamaica Public Service	5%	1950	100½	103	100
Maclaren-Quebec Power	5½%	1961	100	102½	100
Manitoba Power	5½%	1951	53	55½	53
Montreal Island Power	5½%	1957	102½	104½	102
Montreal L. H. & Power	5%	1951	106	108	106½
Montreal L. H. & Power	5%	1970	106	108	106½
Montreal Public Service	5%	1942	104½	...	104½
Montreal Tramways	5%	1955	74½	77	75
Montreal Tramways	4½%	1955	70	72	70
Montreal Tramways	5%	1941	98	99½	98½
National Light & Power	6%	1949	85½	88	84½
N. B. Power	5%	1937	70	73	70
Newfoundland L. & P.	6½%	1949	102	...	101
Newfoundland L. & P.	5½%	1971	99½	...	99½
Newfoundland L. & P.	7%	1949	101	...	100
Northwestern Utilities	7%	1938	101½	103½	101½
N. S. Light & Power	5%	1958	98	100	98
Ottawa Light, Heat & Power	5%	1957	104	105½	103½
Ottawa Valley Power	5½%	1970	105½	106½	105
Power Corp.	4½%	1959	81½	84½	81½
Provincial Light & Power	5%	1946	104½	...	104½
Quebec Power	5%	1968	101	103	101
Rio de Janeiro T. L. & Power	5%	1935	99½	101	99½
Shawinigan Water & Power	6%	1937	101	103	101½
Shawinigan Water & Power	4½%	1970	93½	95½	94
Shawinigan Water & Power	5%	1970	101	103	101½
Southern Canada Power	5%	1955	103	105	103
United Securities	5½%	1952	67	69½	69
West Kootenay Power	5%	1956	105	106½	105
Western Power Co.	5%	1949	104½	...	104½
Winnipeg Electric	5%	1935	96	99	95½
Winnipeg Electric	6%	1954	52	55	53
Industrial and Realty Issues:					
Abitibi Power & Paper	5%	1953	29½	32	29
Abitibi Pwr. & Paper C.O.D.'s	5%	1953	26½	29	26
Acadia Sugar	6%	1946	103	104	103
Alberta Pacific Grain	6%	1946	87½	90	84
Algoma Steel	5%	1962	13	15½	14½
American Sales Book	6%	1939	102½	...	102½
Asbestos Corp.	5%	1942	99	...	99
Atlantic Sugar	5%	1941	96	...	96
Balfour Building	6%	1934	42½	...	41
Belding-Corticelli	5%	1936	103½	...	103½
Bloor-St. George Realty	7%	1946	48½	...	48½
Booth Buildings	6½%	1937	99	...	99
Brandram-Henderson	6%	1936	93½	...	93½
British American Oil	5%	1945	104	105½	104½
British Columbia Pulp & Paper	6%	1950	72	...	72
Burns & Co.	5½%	1948	36	...	35½
Canada Biscuit	6½%	1946	17	19½	17½
Canada Bread	6%	1941	101	103	100½
Canada Cement	5½%	1947	99½	101	99½
Canada Paper	6%	1945	94	...	94
Canada Steamship	5%	1943	92½	95	93
Canada Steamship	6%	1941	26½	29	26½
Canadian Canners	6%	1950	105½	...	105½
Canadian Consolidated Felt	6%	1940	99½	...	96
Canadian Copper Refiners	6%	1945	105½	106½	105½
Canadian Cottons	5%	1940	102	...	102
Canadian Goodrich	7%	1943	48	...	48
Canadian International Paper	6%	1949	66½	68½	66½
C. P. R.	6%	1942	106	108	106½
C. P. R.	4½%	1944	93½	95	93½
C. P. R.	5%	1954	98½	100½	98½
[illegible]					
Richmond Bay Building	5½%	1948	82	85	92½
Riordon Pulp & Paper	6½%	1947	93½	96½	79½
Ritchie Cut Stone	6%	1942	103½	...	90
Rolland Paper	6½%	1948	74	...	103½
Ruddy & Co., E. L.	5½%	1948	100	102	74
St. Lawrence Flour	6½%	1948	76	79	100
Simpsons Ltd.	6%	1941	102	...	74
Smith, Howard	6%	1949	101	103	102
Steel Co. of Canada	5½%	1953	99	101	101
Stop & Shop	6%	1940	109½	...	99
Toronto Carpet	6%	1947	88½	91	109½
United Amusement	6%	1944	99½	...	89
United Corpns.	6%	1942	92	...	99½
United Gas & Fuel	5%	1953	80	...	93
United Grain Growers	5½%	1948	89	91½	79
Wabasso Cotton	5%	1948	91½	...	89½
Wabasso Cotton	6%	1947	101	...	90
Woods Mfg.	7%	1942	102	...	100½
	6%	1943	91	...	101½
					90

Dominion and Provincial Bonds

Quotations furnished by A. E. Ames & Co., Toronto
November 28, 1934

Dominion of Canada Bonds

	Rate	Due	Bid Nov. 28	Asked Nov. 28	Approx. Yield	Bid Nov. 21
Dominion	2	15 Oct. 1936	99.00	99.50	2.27	99.00
Dominion	2½	15 Oct. 1939	99.00	....	....	99.00
Dominion	3	15 Oct. 1942	99.65	100.15	2.98	99.65
Dominion	3½	15 Oct. 1935	100.85	101.35	2.00	101.00
Dominion	3½	15 Oct. '44-49	99.55	100.05	3.49	99.40
Dominion	4	15 Oct. 1935	101.25	101.75	2.06	101.25
Dominion	4	15 Oct. 1939	104.75	105.25	2.85	104.85
§Dominion	4	15 Oct. '43-45	104.40	104.90	3.36	104.15
§Dominion	4	15 Oct. '47-52	103.65	104.15	3.59	103.50
Dominion	4½	1 Sept. 1940	107.85	108.35	2.91	107.65
Dominion	4½	15 Oct. 1944	108.00	108.50	3.47	107.75
Dominion	4½	1 Feb. 1946	107.85	108.35	3.59	107.65
§Dominion	4½	1 Nov. '46-56	107.50	108.00	3.67	107.25
§Dominion	4½	1 Nov. '47-57	107.50	108.00	3.72	107.25
§Dominion	4½	1 Nov. '48-58	107.85	108.35	3.73	107.70
§Dominion	4½	1 Nov. '49-59	108.00	108.50	3.76	107.85
Dominion	5	15 Nov. 1936	104.65	105.15	2.35	104.65
*†Dominion	5	1 Mar. 1937	106.15	106.65	1.95	106.25
Dominion	5	15 Nov. 1941	109.85	110.35	3.33	109.65
Dominion	5	15 Oct. 1943	111.00	111.50	3.49	110.50
†Dominion	5½	1 Dec. 1937	108.85	109.35	2.33	108.85

Dominion Guaranteed Bonds

	Rate	Due	Bid Nov. 28	Asked Nov. 28	Approx. Yield	Bid Nov. 21
xGr. Tr. Pac.	3	1 Jan. 1962	95.50	96.25	3.21	95.50
xCan. N. Ry.	4½	1 Sept. 1951	109.75	110.50	3.67	110.00
*Can. N. Ry.	4½	15 Sept. 1954	103.25	104.00	4.20	103.25
xCan. N. Ry.	4½	1 Feb. 1956	110.00	110.75	3.77	110.50
*Can. N. Ry.	4½	1 July 1957	108.50	109.25	3.83	108.50
xCan. N. Ry.	4½	1 Dec. 1968	105.25	106.00	4.17	105.50
xCan. N. Ry.	4¾	15 June 1955	113.25	114.00	3.77	113.50
Can. N. Ry.	5	1 Feb. 1954	113.50	114.25	3.94	113.25
§xCan. N. Ry.	5	1 July 1969	113.25	114.00	3.70	113.50
§xCan. N. Ry.	5	1 Oct. 1969	115.25	116.00	3.83	115.50
§xM. Harb. C.	5	1 Nov. 1969	115.50	116.25	3.82	115.75

Provincial Government Bonds

	Rate	Due	Bid Nov. 28	Asked Nov. 28	Approx. Yield	Bid Nov. 21
Eastern—						
*N. Bruns.	4½	15 Apr. 1961	105.50	106.25	4.11	105.25
*N. Bruns.	5	15 Jan. 1960	111.25	112.00	4.21	110.50
N. Bruns.	5½	15 May 1950	113.50	114.25	4.24	113.50
N. Scotia	4½	15 May 1943	104.75	105.75	3.72	104.75
*§N. Scotia	4½	15 Sept. '47-52	106.50	107.00	3.82	106.00
N. Scotia	4½	15 May 1961	108.50	109.25	3.91	107.75
*N. Scotia	5	1 Mar. 1960	113.75	114.50	4.07	113.50
xOntario	4	1 June 1962	102.75	103.50	3.77	102.75
xOntario	4½	1 Sept. 1944	107.75	108.75	3.46	107.50
Ontario	4½	1 June 1950	107.25	108.00	3.82	107.12
xOntario	4½	15 Jan. 1962	109.50	110.50	3.85	109.00
Ontario	5	15 Oct. 1948	111.25	112.00	3.88	111.25
xOntario	5	2 Dec. 1960	116.50	117.50	3.91	116.50
Ontario	5½	1 July 1946	113.75	114.50	3.97	114.00
§O. H. C.	3½-4-5	1 Oct. 1952	99.00	99.75	3.83	99.00
xOnt. H. C.	4	1 Aug. 1957	102.75	103.75	3.76	102.50
Ont. H. C.	4¾	1 Jan. 1970	110.75	111.75	4.11	110.75
Quebec	4	15 Mar. 1952	103.25	103.75	3.71	103.00
Quebec	4¼	1 Aug. 1958	106.50	107.25	3.77	106.25
Quebec	4½	2 Jan. 1963	110.00	110.75	3.67	109.75
Western—						
*Alberta	4	1 Dec. 1957	92.25	93.25	4.47	91.50
*Alberta	4½	1 Oct. 1956	97.00	97.75	4.67	96.00
*Alberta	5	1 Jan. 1948	101.25	102.00	4.80	101.00
Alberta	5	1 Sept. 1955	101.25	101.75	4.87	101.00
xAlberta	5	1 Oct. 1959	104.50	105.50	4.63	104.00
*Alberta	5½	1 Jan. 1947	104.50	105.50	4.92	104.00
Alberta	6	1 Mar. 1947	108.50	109.50	4.97	107.00
*Brit. Col.	4	1 Dec. 1957	90.00	91.00	4.64	88.00
xBrit. Col.	4½	15 Jan. 1951	98.50	99.50	4.54	98.50
*Brit. Col.	4½	1 Oct. 1953	94.00	95.00	4.91	93.50
*Brit. Col.	5	15 Jan. 1948	98.50	99.50	5.05	97.00
Brit. Col.	5	1 Sept. 1953	98.50	99.50	5.05	97.00

Dividends Declared

	Present Annual rate	Amt. this pay'mt	Date payable	Date of record
Acme Glove, pref.	6½%	1⅝%	Dec. 15	Nov. 30
Anglo-Huronian	...	•40c	Dec. 1	Nov. 22
Andian National	$2	$1	Dec. 1	Nov. 15
Acadia Sugar, pref.	30c	7½c	Dec. 1	Nov. 17
Do., on arrears	...	7½c	Dec. 1	Nov. 17
Biltmore Hats, pref.	7%	1¾%	Dec. 15	Nov. 15
Bruck Silk Mills	$1	25c	Jan. 15	Dec. 15
Do., extra	...	5c	Jan. 15	Dec. 15
Bank of Nova Scotia	$12	$3	Jan. 2	Dec. 15
Belding-Corticelli, pref.	7%	1¾%	Dec. 15	Nov. 30
Bulolo Gold Dredging	...	*90c	Dec. 29	Dec. 3
Bright, T. G.	30c	7½c	Dec. 15	Nov. 30
Do., pref.	6%	1½%	Dec. 15	Nov. 30
Borden Co. c.	$1.60	40c	Dec. 1	Nov. 15
Bank Can. Nationale	$8	$2	Dec. 1	Nov. 15
Bank of Montreal	$8	$2	Dec. 1	Oct. 31
Bank of Toronto	$10	$2.50	Dec. 1	Nov. 15
Bralorne Mines, extra	...	20c	Dec. 17	Nov. 30
Canadian Oil, pfd.	$8	$2	Jan. 1	Dec. 20
Can. Bank of Commerce	$8	$2	Dec. 1	Oct. 31
Can. Cottons	$4	$1	Jan. 2	Dec. 14
Do., pref.	$6	$1.50	Jan. 2	Dec. 14
Consolidated Bakeries	...	20c	Jan. 2	Dec. 15
Can. Foreign Inv., pref.	$8	$2	Jan. 1	Dec. 15
Can. Hydro-Elec., pref.	$6	$1.50	Dec. 1	Nov. 1
Can. Celanese, pref.	$7	$1.75	Dec. 31	Dec. 14
Canada Malting	$1.50	37½c	Dec. 15	Nov. 30
Canada Vinegars	$1.60	40c	Dec. 1	Nov. 15
Can. Permanent Mtge.	$8	$2	Jan. 2	Dec. 15
Can. Foreign Invest., com.	$1	25c	Jan. 1	Dec. 15
Do., extra	...	25c	Jan. 1	Dec. 15
Dominion Scottish Invest., pfd.	$1	25c	Dec. 1	Nov. 20
Dominion Stores	$1.20	30c	Jan. 2	Dec. 15
Dominion Bank	$10	$2.50	Jan. 2	Dec. 20
Dominion Textile	$5	$1.25	Jan. 2	Dec. 15
Do., pref.	$7	$1.75	Jan. 15	Dec. 31
Empire Natural Gas	—	‡¼c	Jan. 2	Dec. 20
Ford Motor A & B	...	75c	Dec. 17	Nov. 30
Hollinger Cons. Gold	65c	5c	Dec. 3	Nov. 16
Do., extra	...	5c	Dec. 3	Nov. 16
Howey Gold	...	4c	Dec. 1	Oct. 31
Imperial Oil	50c	25c+15c	Dec. 1	Nov. 15
International Nickel, c.	...	15c	Dec. 31	Dec. 1
International Petroleum	$1.12	56c+44c	Dec. 1	Nov. 15
Do., pref.	$1.12	56c+44c	Dec. 1	Nov. 15
International Milling, pref.	7%	1¾%	Dec. 1	Nov. 20
Do., A pref.	6%	1½%	Dec. 1	Nov. 20
International Mining	...	•15c	Dec. 20	Dec. 5
Kirkland Lake Gold	...	•3c	Dec. 1	Nov. 1
Loblaw Groceterias, A & B	$1	25c	Dec. 1	Nov. 14
Laura Secord	$3	75c	Dec. 1	Nov. 15
Lake Shore Mines	$2	50c	Dec. 15	Dec. 1
Do., extra	...	50c	Dec. 15	Dec. 1
Loew's London Theat., pfd.	7%	3½%	Dec. 10	Nov. 30
Monarch Knitting, pref.	...	†$1	Jan. 2	Dec. 15
Montreal Loan & Mtge.	$2.50	62½c	Dec. 15	Nov. 30
Melchers Distilleries A	...	†50c	Dec. 15	Dec. 1
Moore Corporation, com.	...	‡50c	Dec. 1	Nov. 19
Montreal Cottons, pref.	$7	$1.75	Dec. 15	Nov. 30
McIntyre-Porcupine Mines	$2	50c	Dec. 1	Nov. 1
McColl-Frontenac, c.	80c	20c	Dec. 15	Nov. 15
McKinley Mines Secs.	...	•2½c	Dec. 1	Nov. 15
Noranda Mines	...	‡$1	Dec. 20	Dec. 5
Northern Canada Mining	...	‡2c	Jan. 2	Dec. 15
N. S. Light & Power, pfd.	$6	$1.50	Dec. 1	Nov. 15
New Method Laundry, pfd.	$6.50	$1.62½	Dec. 1	Nov. 19
Ogilvie Flour Mills, pref.	$7	$1.75	Dec. 1	Nov. 21
Page-Hersey Tubes	$3	75c	Jan. 2	Dec. 15
Do., pref.	7%	1¾%	Jan. 2	Dec. 15
Pioneer Gold (B.C.)	80c	20c	Jan. 2	Dec. 1
Provincial Bank	$6	$1.50	Dec. 1	Nov. 15
Reno Gold	...	•3c	Jan. 3	Nov. 30
Royal Bank	$8	$2	Dec. 1	Oct. 31
Rolland Paper, pref.	$6	$1.50	Dec. 1	Nov. 15
Reliance Grain, pref.	6½%	1⅝%	Dec. 15	Nov. 30
Southern Can. Power, pfd.	$6	$1.50	Jan. 15	Dec. 20
Siscoe Gold Mines	12c	3c	Dec. 31	Dec. 15
Do., bonus	...	2c	Dec. 31	Dec. 15
Sylvanite Gold	20c	5c	Dec. 31	Nov. 20
South Amer. Gold & Plat.	...	10c	Dec. 31	Dec. 21
Thrift Stores, 1st pref.	$1.62½	40⅝c	Jan. 1	Dec. 15
Do., 2nd pref.	70c	17½c	Jan. 1	Dec. 15
Teck-Hughes	40c	10c	Jan. 2	Dec. 10
Western Grocers, pref.	7%	1¾%	Jan. 15	Dec. 20
Do., com.	...	50c	Jan. 15	Dec. 20
H. Walker-G. & W., pref.	$1	25c	Dec. 15	Nov. 23
Wright-Hargreaves	40c	10c	Jan. 2	Dec. 10
Do., extra	...	5c	Jan. 2	Dec. 10

* For the year ending May 31, 1935.
•Initial.
‡Interim.
†On arrears.

Dividends Resumed—
Melchers Distilleries, Class A 50c. on arrears Dec. 15; last payment, 50c., Sept. 15, 1930.
Moore Corp., com., 50c. interim Dec. 1; last payment, 12½c., April 1, 1932.

Dividends Passed—
Thrift Stores, com., Jan. 2, 1935, last paid 10c. Oct. 1, 1934.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)
November 27, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar com.	2.85	3.05
Acadia Sugar pfd.	4.75	5.00
Adirondack St. F. com.	....	1.00
Allens College pf.	48.00	....
Allens London pfd. bonus com	....	55.00
Allens St. Cath. pfd. bonus com.	37.00	....
Allens Toronto pfd. bonus com.	20.50	....
Acme F. Dairy pf.	10.00	....
Andian National (Can. Funds)	37.50	39.00
Atlantic Sugar pfd.	93.00	94.00
B. C. P. & P. pfd.	6.00	10.00
Burns & Co. B	1.50	2.00
Can. Dom. Sugar	50.00	....
Can. Mach. com.	1.50	2.00
Can. Packers com.	45.00	46.00
Can. Packers pf.	109.00	111.00
Can. Starch com.	11.50	....
Can. Starch pfd.	85.00	....
Canada Tea pfd.	45.50	55.00
Can. W. & Cable pfd. WW	53.50	59.50
Can. Indust. A	180.00	....
Can. Indust. B	179.50	181.00
Can. Indust. pfd.	143.00	144.00
Can. Westing.	45.00	46.00
Chase pfd. bon. c.	24.50	26.00
Dom. F. & St. com.	7.05	8.00
Dom. F. & St. pfd.	69.00	72.00
Dom. Manuf. pfd.	70.50	....
Dom. Woollens c.	.35	1.00
Dunlop Tire pfd.	68.50	71.00
East. Dairies pfd.	5.00	9.00
Fed. Grain com.	1.35	2.25
Fed. Grain pfd.	30.00	31.00
For. Power Sec. p.	4.00	7.00
Freiman, A. J. 6% pfd.	58.25	60.00
Gen. Stl. Wares pf.	29.50	30.50
Goderich Elevator	7.00	7.75
Green. Wire pfd.	72.50	75.00
Guardian Rlty. p.	10.00	....
Guelph Carpet pf.	89.00	91.00
Guelph Carpet c.	13.00	14.00
Harding Carpets c.	1.50	3.00
Hayes Wheels pfd.	....	9.50
Highland Dairy c.	3.65	4.25
Highland Dairy p.	68.50	71.00
Inter City Bak. c.	17.00	18.00
Inter. Paints pfd.	14.00	15.50
Loew's London pf.	3.75	4.15
Mansf. Theat. pfd.	28.00	30.00
Massey-Harris pf.	17.00	18.00
Mercury Mills pfd.	8.00	9.25
Morrow Screw pfd.	90.00	....
Nat. Grocers com.	5.00	5.15
Nat. Grocers pfd.	119.00	120.00
New Meth. Laund. pfd.	49.50	....
Niag. W. Weav. pf.	41.00	....
Para. Kitchener pf.	38.00	....
Para. Oshawa pf.	48.00	52.00
Perf. Pet. pfd.	20.00	....
Prov. Paper pfd.	91.00	93.00
Rel. Grain pfd.	62.00	65.00
Rob. Cons. Cone	8.50	9.15
Rolland Paper c.	9.25	10.00
Ruddy pfd.	10.50	....
St. Fuel pfd. bon.	98.00	....
Supert. Pet. B pf.	24.25	25.50
United Grain	11.00	....
West. Grain p. bon.	7.25	8.00
Insurance Stocks:		
British America	32.50	....
Canada Life	445.00	....
Can. Fire	62.00	....
Can. Insur. Shs. c.	8.00	....
Confed. Life 20% pd.	122.00	125.00
Cont. Life 20% pd.	36.50	40.00
Crown Life	104.00%	....

Insurance Stocks: (Continued)	Bid	Asked
Dom. Fire	97.00	....
Dom. Life 50% pd.	186.00	....
Dom. Can. Gen. Ins.	98.00	102.00
Empire Life 25% pd.	9.00	9.75
Excel. Life 30% pd.	70.50	75.00
Federal Fire 25% pd.	34.00	36.00
Gr. West Life	398.00	410.00
Guar. of N. A. fully pd.	221.00	....
Guar. of N. A. 20% pd.	40.00	....
Imperial Life	290.00	....
Manuf. Life	240.00	250.00
Monarch Life 10% pd.	19.00	21.00
National Life 25% pd.	....	59.50
Sov. Life 25% pd.	12.00	15.00
Sun Life	320.00	340.00
Tor. Gen. Ins.	3.00	....
West. Assur. com.	33.00	35.00
West. Assur. pfd.	35.00	42.00
West. Empire Life	8.00	12.00
Western Life 20% pd.	9.00	11.00
Bank Trust & Loan Stocks:		
Chartered Trust	68.00	....
Comm. Fin. New c.	2.00	....
Lond. & West. Tr.	29.00	....
Sec. Loan & Sav.	98.00	102.00
Sterling Trust	....	40.00
Traders Fin. B p.	47.00	51.00
Trusts & Guar.	33.50	36.00
Victoria Trust	120.00	126.00
Waterloo Trust	79.50	83.00
Sherbrooke Tr.	110.00	....
Investment Trust Shares:		
Can. Gen. Invest.	5.75	5.95
Can. Invest.	4.25	5.00
Can. Int. Inv. Tr. Units	19.50	21.50
Can. Inv. Fund	3.15	3.45
Cons. Div. St. Sec. Units	11.00	11.75
Deb. & Sec. pfd.	22.00	....
Dom. Anglo Inv. Units	170.00	....
Invest. Foundat. Units	40.25	42.00
Dom. Scott. Inv. Units	21.50	22.50
Sec. Holding Units	10.00	11.50
United Corpns A	12.25	12.75
United Corpns. B	3.25	3.75
Power Issues:		
Calgary Power pfd.	92.00	93.00
Can. L. & P. com.	20.00	21.50
Can. W. N. G. LH&P pfd.	93.50	94.50
Gr. Lakes Pwr. pf.	40.00	45.00
MacLaren P. & P. com.	16.00	17.00
Marit. T. & Tel. pfd.	12.65	13.50
N. B. Tele. com.	9.65	10.60
N. S. L&P com.	40.50	44.00
N. S. L&P pfd.	91.00	92.00

Recent London Quotations:

Brit. Col. Tele., pfd.	$105
Brew. & Distillers	2s. 6d.
Canada Company	7s. 6d.
Can. & For. Secs.	3s. 6d.
Can. Collier, $1 com.	3d.
Do., pref. $10	3d.
Can. N. W. Land	25s.
Can. West. Lumber	1s. 6d.
Hudson's Bay	25s.
Do., pref.	105s.
Imp. Tob. (Canada) 6% pfd.	27s. 6d.
Third Can. Gen. Inv.	6s.

Dominion and Provincial Bonds (Cont'd)

	Rate	Due	Bid Nov. 28	Asked Nov. 28	Approx Yield	Bid Nov. 21
Brit. Col.	5½	1 Feb. 1945	102.00	103.00	5.12	101.50
Brit. Col.	6	15 Feb. 1947	104.50	105.50	5.39	103.50
*Manitoba	4	1 Dec. 1957	93.00	94.00	4.42	91.50
*Manitoba	4½	15 Dec. 1956	97.25	98.25	4.63	96.50
*Manitoba	5	15 June 1954	103.50	104.50	4.65	103.00
xManitoba	5	2 Dec. 1959	106.00	107.00	4.53	106.00
Manitoba	5½	1 Oct. 1955	106.25	107.25	4.94	105.50
Manitoba	6	1 Apr. 1947	108.25	109.25	4.95	107.00
Sask.	4	15 Aug. 1953	84.75	85.50	5.21	83.50
xSask.	4½	2 July 1945	97.50	98.50	4.68	96.50
*Sask.	4½	1 Oct. 1951	90.75	91.75	5.24	90.00
Sask.	5	1 Aug. 1958	94.50	95.50	5.33	94.50
*Sask.	5½	15 Nov. 1946	100.25	101.25	5.35	100.00
Sask.	6	15 Mar. 1952	104.00	105.00	5.55	103.50

Municipal Bonds

	Rate	Due	Bid Nov. 28	Asked Nov. 28	Approx Yield	Bid Nov. 21
*Calgary	5½	2 June 1944	80	90	6.95	80
*Edmonton	5½	1 Nov. 1945	90	94	6.26	90
*Halifax	5	1 July 1961	109	110½	4.34	109
Hamilton	5	1 May 1950	109½	111	4.04	109½
Montreal	5	1 Mar. 1945	101	102½	4.70	101
Ottawa	4½	1 July 1945	103	105	3.92	103
*Quebec	5	1 June 1959	101	103½	4.75	101
Regina	5	1 July 1944	80	88	6.73	75
St. John	5	15 Dec. 1950	105½	108	4.31	105¼
*Toronto	4½	1 Jan. 1955	106½	108½	3.89	106
Victoria	5	21 July 1945	90	95	5.62	90
Winnipeg	5	1 Mar. 1944	97	100	5.00	97

† Tax exempt issues.
§ Yield at call price.
x Payable in Canada, New York and London.
‡ Payable in London.
* Payable in Canada and New York.
° Payable in Canada and London.

NEW FLOTATIONS STILL SUBNORMAL IN UNITED STATES

Place Securities Offerings at $1,500,000 for 1934

FUNDS AVAILABLE

Severities of Securities Act Alleviated But Further Modification is Sought — Many Adverse Factors

By DR. GAINES T. CARTINHOUR
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NEW YORK—At the present time it seems likely that the total amount of public security offerings in the United States will be around $1,500,000,000 for 1934. This figure would represent a substantial increase over 1933 but is only about 25 per cent of the average annual amount during the decade prior to 1930. Only about 20 per cent of the 1934 total will probably represent new financing for corporate accounts. A sharp contrast is indicated with issue activity in London during the past few years. Comparatively inactive conditions in the latter market during the third quarter of 1934 were most unusual.

Factors in Decrease

A number of factors are responsible for this situation in the U. S. In the first place, some important industries are not in a sufficiently stable condition to gauge their probable showing over a period of years. This is particularly true in the case of railroads but also applies on a wide scale to industrial corporations. Consequently, modernization of equipment has been seriously delayed.

Another factor is the lack of confidence which many investment dealers and corporate officials have in governmental policies, some of which have or may result in the latter becoming a direct competitor, such as in the public utility industry. Other policies are believed by many to have sown the seed of serious inflation. Such ideas, whether they are wrong or right, hinder new financing operations tremendously.

A third factor is the fear on the part of large institutional investors and others, that heavy government financing may cause interest rates to rise on Federal securities, and thus in time force lower credit securities to drop in value.

A fourth factor is undoubtedly the slow condition of business which has not necessitated immediate financing operations.

And fifth, the important Federal Securities Act must be listed as of extreme significance in this connection.

Severities Alleviated

Fortunately, the severity of this act has been alleviated by rulings of the Securities and Exchange Commission. Investment bankers claim further revision is necessary before there can be any resumption of large scale corporate financing and direct help to the "heavy" industries. The commission has announced that it is going over the regulations for the registration of new issues line by line with the idea of making them more practical and, if possible, less cumbersome. The information sections have been detrimental not only because of the inability of corporations to compile the information required within a satisfactory period of time but also because of the excessive cost of bringing the vast mass of data together.

Wall Street houses are hopeful but do not anticipate any large sales of new securities in the near future. However, they are handling more refunding operations and purchasing more large blocks of privately held securities for resale or redistribution to the public than in a long time. In the latter class are those issues which do not have to be registered under the Securities Commission.

Funds Available

Institutional investors, such as insurance companies, have accumulated a fund for investment purposes of about $600,000,000. It is understood, furthermore, that the total from all sources available for refunding operations alone is about $2,000,000,000. Under these circumstances, if the statistics are correct, there is certainly no lack of capital available for investment.

BRUCK SILK CO. DECLARE BONUS 5 CENTS A SHARE

I. I. Bruck Forecasts Good Statement for 1934 Fiscal Year

From Our Own Correspondent

MONTREAL.—Directors of Bruck Silk Mills, in addition to the regular quarterly dividend of 25 cents a share, have declared an extra 5 cents a share.

I. I. Bruck, president of the company, states that the annual financial statement for the fiscal year ended October 31, 1934, which will make its appearance early in December, will reveal a substantial improvement in earnings and in balance sheet position.

Early in the year, it was stated that earnings after depreciation but before taxes amounted to $156,000 for the first eight months ended June 30, 1934. This was equal to $1.25 a share on the company's common stock as against dividend requirements for the full year of $1 a share.

Working Capital Larger

Current assets as at June 30, 1934, were reported at $935,973 as against current liabilities of $75,000, leaving a net working capital of $860,973. This was in contrast with $420,720 at the end of the 1933 fiscal year.

During the year ended October 31, 1933, Bruck Silk reported a net profit from trading of $287,621. This was more than double that reported in the preceding twelve months. After taking care of bond interest, bond discount, depreciation and income tax, there was a net profit of $156,153, equivalent to $1.56 a share on the capital stock. This compared with 28 cents a share as reported in the fiscal year 1932.

Price Spreads Enquiry

Evidence Given Last Week Revealed Many Facts About Chain Store Operations — Main Features Summarized in Tabular Form

Evidence concerning chain store operations was continued during the past week, the major national chains and a number of smaller and local chains being covered.

Particulars concerning sales, financing, profits, etc., revealed before the commission on Loblaws, Tamblyns, Laura Secord, Hunts, National Grocers and Stop and Shop appear elsewhere in this issue. This information is supplemented in the table below by leading statistics of wages, mark-ups, etc., of these concerns.

		Loblaws	Tamblyns	Nat'l. Grocers	Stop and Shop	
Head Office:		Toronto	Toronto	Toronto	Toronto	Montreal
No. of stores	No.	107	80	*31	45	61
No. of employees (full-time)	No.	°575	297	726	268	387
Aver. hours per week	No.	59	60	47	61	65
Wages: (weekly aver.) 1933:						
Managers	$	35.00	41.54	....	‡25.89	30.97
Meat mgrs.	$	25.66	§31.16	....	27.96	27.96
Fruit mgrs.	$	16.50	....	....	....	....
Male clerks	$	17.88	18.10	†17.50	8.59	9.81
Female clerks	$	15.38	....	....	12.50	9.59
Messengers	$	....	6.58	....	6.50	4.18
Mark-up on cost, 1933	%	26.70	100.00	11.79	28.93	30.74
Gross profit on sales, 1933	$	21.79	29.13	10.54	23.01	
Cost of advertising, 1933	$	110,313	47,165	73,181	78,133	

*Branch warehouses. Deal with 705 Red & White and Leader stores.
†Factory male employees average $16.66 for 44 hours; female $11.13.
‡Grocery managers. §Assistant managers. °Store employees only.

Other Chain Store Facts

Leading facts concerning other chain stores, as given before the commission by the auditors, appear in the following table:

	Grafton & Co.	Ellis Hosiery	Walker Stores	Evangeline Shops	Liggetts
Head office	Dundas	Toronto	Toronto	Toronto	Toronto
No. of stores	8	17	31	7	42
Type of business	dry goods	hose	dry goods	ladies' wear	drugs
Capital, common ....$	451,500	41,000	700,000†	5,000‡	113,585°
Dividends ....%	7 reduced to 5	none	none	none	none
Sales, 1933 ....$	911,482	296,300	1,282,518	257,713	2,008,206
Peak year ....$	1,737,315	379,256	2,004,710	288,551	2,461,479
Net profit, 1933 ....$	5,827	3,885	28,832	15,099§	92,000§
Peak profit ....$	31,336	3,885	81,033	780	86,210
Inventory, aprox. ....$	3-400,000	38,500	450,000	57,000	450,000
Mark-up on cost ....%	45.14	39.16	35.77	45.8	84.44▪
Gross profit on cost ....%	37.52	28.14	37.00	31.4	45.78▪
Wages: (average weekly)					
Managers ....$	56.97	13.50*	35.50	18.57*	38.82
Asst. mgrs. ....$	34.50	10.63*	...	...	21.75
Male clerks ....$	23.05	...	18.37	...	15.00
Female clerks ....$	13.51	...	12.37	12.54	15.10
Messengers ....$	...	...	4.00	...	6.46
Part-time (per hour)	25c	25c	...	...	25c

	Thrift Stores	Steinberg Service	A. & P. Stores	Carload Groceterias	Carroll's
Head office	Montreal	Montreal	Mont. & Tor.	Toronto	Hamilton
No. of stores ....No.	75	11	278	8	113
Type of business	Grocery	Grocery	Grocery	Grocery	Grocery
Capital, common	20,000 n.p.v.	$31,500	Owned by A.&P., U.S.	565 n.p.v.	$596,500
preferred ....$	470,000▲	....		$7,000	....
Dividends on common	40c	none	....	none	....
Sales, 1933 ....$	4,830,126	840,896	15,510,000	195,216**	2,229,483
Peak year ....$	4,830,126	840,896	21,333,000	....	2,792,672
Net profit, 1933 ....$	80,185	35§	81,474§	9,171§	52,070§
Peak profit ....$	80,185	21,031	159,407	....	4,307§
Inventory, approx. ....$	310,000	86,000	625,000	35,000	375,000
Mark-up on cost ....%	24.00	....	32.13	13.58	21.66
Gross profit on cost ....%	19.67	18.99	29.67	11.96	17.80
Wages (average weekly):					
Managers ....$	20.50	28.00	33.07‡‡	18.00	21.50
Asst. mgrs. ....$	....	....	27.81‡‡	....	12.93*
Male clerks ....$	10.79	14.35	12.26‡‡	9.88	12.14
Female clerks ....$	10.52	11.12	12.58‡‡	11.65	10.64
Messengers ....$	4.30	16.55††	6.39‡‡	...	6.00

†† Truck delivery men.
** Nine months.
‡‡ Toronto division only; Montreal division, $29.04, $26.87, $9.26, $9.33 and $3.61 respectively.
* Female.
† 2,000 7% pfd. of $100, in addition.
‡ Common n.p.v.; also 1,600, 6% cumulative pfd. of $25 each.
§ Loss. ° Financed by loans from United Drug Co., U.S.A.
▪ Drugs only.
▲ 14,000 6½% cum. pref. of $25; 12,000 2nd cum. pref. of $10.

Messengers' Low Wages

V. F. McAdam, manager, Boys' Home, Montreal, said 37 of 165 boys living in home were employed in chain stores. Average hours were 70, and average wages were $1.50 to $4 a week. Examples of employment for A. & P., Dominion and Stop & Shop given.

Foreign Exchange Markets

A SUPERFICIAL steadiness has developed in foreign exchange, with sterling and the Canadian dollar at about 60.9 per cent of their statutory gold value; the U.S. dollar at about 59.3 per cent of its pre-devaluation gold level; the French franc virtually unchanged from its pre-depression gold value.

This position, however, is open to severe disturbance. There is so much unwanted short term money seeking refuge in London, for instance, that interest rates on such funds have gone practically to nil. The franc has withstood several runs, but others may develop. The American dollar may slump if pre-sessional forecasts revive devaluation rumors. Serious talk of permanent stabilization might send it up. The Canadian dollar would probably be influenced by moves of sterling and the U. S. currency.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Nov. 20	Nov. 21	Nov. 22	Nov. 23	Nov. 24	Nov. 26
U. S. dollar, High	.5906	.97 3/16	.97 11/16	.97 11/16	.97 11/16	.97⅜	.97⅜
Low	.5906	.97½	.97 11/16	.97 11/16	.97⅜	.97 1/16	.97 1/16
1933 High	1.000	.97½	.97⅛	.96⅝	.97⅞	.99	.98¾
Low	1.000	.96¾	.96½	.96⅜	.96 1/16	.98½	.98½
U. K. pound	4.8665	4.86	4.86¾	4.86¾	4.86¼	4.86	4.86
Argentina	.4246	.2467	.2472	.2470	.2459	.2473	.2443
Australia	4.8665	3.8865	3.8733	3.8718	3.8674	3.8664	3.8639
Austria	.1407	.1847½	.1846	.1846	.1845	.1845	.1844
Belgium	.1392	.2274	.2272	.2273	.2271	.2272	.2271
Brazil	.1963	.0692	.0692	.0701	.0706	.0691	.0700½
Czechoslovakia	.0296	.0408	.0407¾	.0407½	.0408	.0407¼	.0407¼
Denmark	.2680	.2172	.2174	.2173	.2172	.2169	.2170
France	.0392	.0642	.0642	.0642	.0642	.0641¾	.0641¾
Germany	.2382	.3921	.3918	.3920	.3918	.3918	.3913
Greece	.0130	.0092	.0092	.0092	.0092	.0092	.0092
Holland	.4020	.6591	.6588	.6588	.6585	.6585	.6579
Hungary	.1749	.2900½	.2898	.2894	.2897	.2897	.2895
India	.3650	.3700	.3705	.3712	.3710	.3703	.3698
Italy	.0526	.0834½	.0830	.0831	.0830	.0830½	.0830
Japan	.4985	.2861	.2864	.2864	.2862	.2862¾	.2861
Jugoslavia	.1929	.0222½	.0222½	.0222½	.0222	.0222	.0222
New Zealand	4.8665	3.8820	3.8888	3.8873	3.8829	3.8819	3.8794
Norway	.2680	.2443	.2446	.2446	.2444	.2442	.2441
Poland	.1122	.1857	.1857	.1856	.1855	.1855	.1849
South Africa	4.8666	4.8506	4.8591	4.8572	4.8517	4.8504	4.8473
Spain	.1929	.1332	.1331	.1331	.1330½	.1330½	.1330
Sweden	.2680	.2507	.2509	.2511	.2508	.2506	.2506¾
Switzerland	.1930	.3164	.3162	.3158	.3158	.3157	.3156
Hong Kong	.5422	.4046	.4068	.4081	.4075	.4065	.4067¾

Retail Hardware Sales Gain 15% This Year

Manufacturers have issued spring booking prices on a number of hardware lines recently, some lines being higher, others unchanged, and practically none showing reductions for 1935. Buying of Christmas gift merchandise on the part of dealers indicates that a promising volume of business is expected. Retail trade has declined slightly during November, partly attributed to unseasonably warm weather. While an early start was made in sales of anti-freeze, tire chains, weatherstrip, storm doors, etc., the demand was not maintained at its usual activity during the last month. December, however, is expected to bring brisk business, as delayed purchases of winter hardware are made, and Christmas shopping develops in many items of hardware.

A survey of trade conditions, conducted by Hardware and Metal, indicates that in the first ten months of 1934, to November 1, retail hardware sales increased by approximately 15 per cent, on the average, with wholesale sales up slightly over 20 per cent, as compared with volume done in 1933. It is interesting to note that wholesalers report their rural sales have increased to a greater extent than city and town business.

1,200 Teck Short Sales Involved No Director

Following the receipt of a letter from the New York Curb Exchange, J. M. Godfrey, Ontario Securities Commissioner, announced on Monday that 1,200 shares of Teck-Hughes stock were sold short on the New York Curb between August 15 and Sept. 29, when that company's stock dropped sharply, but none of these were executed for the account of officers or directors of Teck-Hughes Gold Mines.

The communication from the Arrangements Commission of the exchange noted the sale of 45,000 shares by two of the then directors, C. E. Wettlauffer and W. W. Reilly, of Buffalo, and their families, but it was pointed out that these were not short sale transactions.

"After due consideration of the entire matter, the commission was of the opinion that the market was orderly and that there was nothing developed that would indicate any irregularities," the letter stated.

No announcement has as yet been made by the Federal Securities Commission at Washington as to the progress of its investigation. It is expected, however, that it will be some time before the results of the investigation can be announced as considerable work is involved in auditing the books of brokers who made sales during the period under review.

Nov. 1 Employment Advances Above Seasonal Rate

Employment at the beginning of November showed a continuation of the upward tendency in evidence in the preceding month and, after correction for seasonal factors, showed an increase of nearly one point as compared with October figures. The advance, though small, is of considerable importance, as it is contrary to the general seasonal movement manifested in the years since 1920, which has involved an average decline of from half to a point in the index.

The crude index rose from 100.0 on October 1 to 100.2 at the beginning of November, as compared with 91.3 on November 1, 1933, and 84.7 on the same date in 1932.

CANADIAN CAR LOWERS LOSSES FOR PAST YEAR

Lack of Railway Orders in Past Four Years Reflected in Report

From Our Own Correspondent

MONTREAL. — Absence of any railway orders in the last four years continues to be reflected in the profit and loss account of Canadian Car and Foundry Co.

The financial statement for the year ended September 30, 1934, shows an operating loss before depreciation of $870,401. This was an improvement over the previous year when the operating loss totalled $973,428. The net working capital position of the company reflects this situation, standing at $2,191,542 as at the end of last September in comparison with $3,226,927 on the same date a year ago.

Cut Into Surplus

Profit and loss account figures for the past three years compare as follows:

	1934 $	1933 $	1932 $
Oper. loss, before dep.	870,401	973,428	913,196
Invest. inc.	153,770	120,122	183,156
Net loss	716,631	853,306	730,037
Fees*	12,515	....	....
	729,146	853,306	730,037
Pref. divds.	....	498,285	525,000
	729,146	1,351,591	1,255,037
Com. divds.	....	....	362,142
Year's deficit	729,146	1,351,591	1,617,179
Prev. surplus	3,086,276	4,437,868	6,055,047
P. & L. bal.	2,357,130	3,086,276	4,437,868

*—Of directors and executive committee.

Working capital position as at September 30, compares as follows:

	1934 $	1933 $	1932 $
Curr. asset	2,532,689	3,616,198	5,221,368
Curr. liabs.	341,146	389,271	517,929
Work. cap.	2,191,543	3,226,927	4,703,439

Changes in Balance Sheet

The current financial statement of Canadian Car represents changes brought about through the recent amendment of the Companies Act. The balance sheet shows assets valued at $20,139,688, as against $28,888,027 a year ago. The property account now stands at $17,198,012, compared with $25,139,179 a year ago. The accounts in previous years showed the values of properties at their gross cost, while the cumulative provision for depreciation was carried under the caption of "reserve," the difference between these two amounts representing the depreciated book value. During the past year the property accounts of the company and its wholly-owned subsidiaries were adjusted to reflect the depreciated reproductive values reported by the Canadian Appraisal Co. in 1930. The excess of such values over the depreciated book values amounts to $867,038, which sum is now carried on the balance sheet at September 30, 1934, as a capital surplus.

The earned surplus shown on the current books amounts to $2,357,129, in contrast with $3,086,276 a year ago.

During the past year the company retired a small amount of its preferred stock, the total of this issue now outstanding amounting to $7,077,875, as against $7,080,750 a year ago. There has been no change in the outstanding common stock.

A survey of the assets of the company shows a slight reduction in inventories at $1,201,824. Accounts receivable show a moderate increase of $426,346.

Decline in Investments

One of the principal changes among assets is the decline in the holding of Government bonds from $1,210,197 to $372,750. At the same time miscellaneous investments declined from $599,775 to $390,300.

A new item among the assets in the balance sheet this year covers an amount of $277,177, representing the company's own shares held by subsidiary companies.

Cash on hand shows a small increase at $136,193, while deferred charges stand on the books at $124,810.

Transit Unit Profitable

In his report to the shareholders, W. W. Butler, president, had the following to say in part:

"It is now nearly four years since your company received its last order for freight cars from either of the two main transportation systems in Canada and such a period of complete inactivity in freight car construction is not only without precedent but has extended beyond the most conservative expectations.

"Orders for the foundries have been received in increasing numbers but in small quantities, indicating a wide-spread but rather slow improvement in many lines of industry.

"The operations of the Canadian General Transit Company, Limited, in which your company owns a controlling interest, continue to be satisfactory."

War-Time Claim Again on Tapis

From Our Own Correspondent

MONTREAL.—Canadian Car and Foundry Co.'s war reparation claim, involving a sum in excess of $11,000,000, has received a new lease of life following the decision of Owen J. Roberts, associate justice of the Supreme Court of the United States, denying the German motion to compel the applicants to disclose their new evidence before a re-hearing of the case was ordered by the Mixed Claims Commission. His decision means the Commission will await the filing of evidence by the German Government and the submission of briefs arguing each side. Then it will return a decision on the vital question of whether the case should be reopened.

In January, 1917, the plant of the agency of the Canadian Car and Foundry Co. at Kingsland, N.J., was destroyed by fire and explosion which was credited to the work of German sabotage organizations in the United States. At the completion of the war a claim for reparations, amounting to $11,000,000 was entered against Germany by the company.

Claim Was Dismissed

Several hearings were held, at which the company introduced new evidence, but on November 15, 1930, the commission dismissed the claim, stating that the evidence was too circumstantial.

The following January it was reported that a petition was being prepared and would soon be presented to the Mixed Claims Commission at Washington asking for a rehearing and reconsideration of the case. The hearing took place in Washington in 1932 and an adverse decision was rendered, but the decision was appealed and the current information from Washington indicates that the matter is again coming to a head.

New evidence, including an affidavit by Jim Larkin, Irish labor agitator, and hitherto unrevealed testimony by 25 witnesses, was filed with the commission by the United States in support of its charge that secret German agents caused the explosions.

On May 4, 1933, the United States filed a petition for the reopening of the cases, alleging:

1. German witnesses had furnished fraudulent, incomplete, collusive and false evidence.
2. New witnesses had been found who "have knowledge of facts and can give evidence adequate to convince the commission of the liability of Germany."
3. Evidence had also been discovered showing collusion between certain German and American witnesses.

The German agent denied the allegations, and demanded the Americans give substantiated details of the new evidence on which the American agent expected to rely.

Larkin's affidavit, filed by the United States agent, has never been made public before. In it, however, he is understood to have sworn that of his own knowledge he knew that German officials in the United States were committing acts of sabotage.

Dom. Stores Alters Dividend Policy

Henceforth dividends of Dominion Stores will be paid only when earned and on a half-yearly basis, according to an official statement from the company accompanying the declaration of the last quarterly dividend of 30 cents per share payable Jan. 2, 1935.

The directors also announced that estimates of earnings in the current year indicated that total dividend disbursements including the one just declared will not be covered. For the six months ended June 30 last, earnings per share equalled 42 cents, according to a statement from the company. This compared with 55 cents in the same period in 1933. For the fiscal year ended Dec. 31, 1933, earnings just covered the annual dividend paid of $1.20 per share.

The change in dividend policy closely follows the forecast of this company published in the Nov. 3 issue of The Financial Post in which a cut in the dividend rate was indicated as the probable consequence of persistently declining sales and earnings.

LITTLE HEADWAY MADE BY SCHEMES FOR CATTLE BOARD

Alberta Appoints Local Board But Support Lacking

From Our Own Correspondent

WINNIPEG.—Alberta is now provided with a provincial livestock board, appointed by the provincial government, ready to function as a "local board" under the provisions of the Dominion marketing act, for control of the marketing of all livestock and livestock products within the province, but in spite of that fact there does not seem to be any great expectation that the board will so function in the near future.

Formal appointment of the board comes as the result of recommendations of an informal committee of livestock producers, assembled by direction of the provincial government to decide on steps to be taken to take advantage of the marketing act with respect to the livestock of Alberta. Had not the former livestock pool of the province recently gone into liquidation presumably it would have taken the lead in the proposed organization, but under the circumstances existing this function was performed by a special organizer appointed by the provincial government.

Much Opposition

There is already a large amount of opposition among livestock men of the province to attempts to enforce compulsory marketing of livestock through a single agency, but such opposition has not crystallized to the same extent as has occurred in Saskatchewan. In Alberta, through the very indefiniteness of proposals now made, those who dislike the new plan have simply refrained from association with it.

The duty of the newly appointed board will be to submit to Ottawa a "scheme" for the control of livestock marketing within the province. The original expectation was that such a scheme would closely parallel the one submitted in Saskatchewan, which would make the existing Saskatchewan Livestock Pool the exclusive sales agency for livestock, and with wide powers for the extension of its functions without any exact definition of the course to be taken. Once approved, whatever scheme might be organized would then, according to official announcement, be submitted to the producers of the province for an expression of opinion.

Approval Unlikely

The general opinion appears to be that such approval would not be forthcoming, if for no other reason than that the new board, lacking either funds or any great urge of conviction as to what it might accomplish, would be unable to do any very effective organization work.

In addition, it is recognized that even a nominally effective organization for Alberta would have to be incorporated with an agency operating for all western provinces at Winnipeg which is the chief livestock market for the west.

It has become known here that in Manitoba any idea of a compulsory livestock marketing organization has been rejected, and that the Saskatchewan Livestock Pool is likely to be unable to put across its scheme in its own province. Consequently it is a matter of doubt just what steps the newly created board will take to make its organization effective.

I. H. E. S. REPORTS $161,564 DEFICIT THIRD QUARTER

Larger Expenses and Drop in Gross Result in Loss

From Our Own Correspondent

MONTREAL.—Sharp increase in operating expenses and taxes, together with a decline in gross revenues, resulted in International Hydro-Electric System reporting a net loss of $161,564 for the third quarter of 1934 compared with a profit of $436,870 in the same period of 1933.

Affairs of some of the subsidiaries of New England Power were not satisfactory and the parent company had to forego dividends on its common stock, resulting in a curtailment of International Hydro-Electric's revenues. No mention is made of the other major division, Canadian Hydro-Electric Corp., and it is presumed that operations and earning power of that unit continue on a satisfactory basis.

Loss is Shown

Particulars of the profit and loss statement for the third quarter of 1934 and 1933 follow:

Quarter Ended September 30

	1934 $	1933 $
Total revenue	15,159,671	15,512,978
Net revenue	7,649,090	8,618,003
Interest—subsids.	3,293,964	3,339,577
Interest—I.H.E.S.	433,417	472,265
Depreciation	1,171,638	1,196,576
Amort. of disc., inc. tax, sub. divs., & amounts applicable to minority stocks of subs.	2,911,635	3,172,715
Balance	....	436,870
Net loss	161,564	....
Divds. on I.H.E.S. pref. stock conv. $3.50 series	....	122,837
Balance	....	314,033
Net loss	161,564	....

Trend is Reflected

Cumulative returns of the System for the twelve months ended with September, 1934, show a gross revenue of $63,218,183. This is in contrast with $61,850,343 for the corresponding period of 1933. The advance in gross is more than eaten up by increased operating expenses and taxes, with the result that the balance for the interim period is somewhat less than reported in the previous year.

Details of the profit and loss account for the 12 months ended September 30, 1934 and 1933 follow:

Twelve Months Ended September 30

	1934 $	1933 $
Total revenue	63,218,183	61,850,343
Net revenue	34,255,605	35,283,233
Interest—subsidiaries	13,255,193	13,681,306
Interest—I.H.E.S.	1,772,811	1,903,301
Depreciation	5,090,871	4,997,627
Amort. of disc., inc. tax, sub. divs., & amounts applicable to minority stocks of subs.	12,244,211	12,396,105
Balance	1,892,519	2,306,894
Divds. on I.H.E.S. pref stock conv. $3.50 series	368,515	485,415
Balance	1,524,004	1,821,479

Refund Subsidiary Issue

In a covering letter sent to the shareholders with the current report A. R. Graustein, president of the System, had the following to say:

"Interest and dividends received by the parent company from other subsidiaries are expected to be more than sufficient to cover expenses, taxes and the interest on its debentures, but the anticipated margin is not, in the opinion of the directors, sufficient to justify payment of any dividends by International Hydro-Electric System. No action was therefore taken for declaration of the October 15, 1934, dividend on the preferred stock—convertible $3.50 series.

"During the month of October, arrangements were completed for refunding the entire issue of $9,000,000 North Boston Lighting Properties 5½ per cent secured notes due October 15, 1937. These notes have been called for redemption on November 24, 1934, at 101 plus accrued interest. Funds for the purpose are being obtained by bank credit for a three-year period at a lower rate of interest."

Imperial Oil Regina Refinery Curbed by Rates

Suspension of refining activities at the Imperial Oil refining plant at Regina at the end of 1934 has been forecast by Western newspapers. The Financial Post understands that this is a temporary suspension and that, after the new situation created by new freight rate schedules from mid-Continent areas of the United States has been studied, production may continue on a limited scale.

The effect of the new schedule of rates will be to increase freight rates to Regina by about 17 cents a barrel on crude oil and to reduce the rate on crude oil to other points. This change might possibly make the continued operation of the refinery precarious because it would restrict the territory contiguous to the refinery, which could be most economically supplied from it. Regina newspapers state that the company has sufficient stocks on hand to meet requirements for a year ahead.

Rates on crude oil from Seminole, Oklahoma, formerly $1.4763 a barrel, have increased to $1.6472. The Regina plant represents an investment of $5,000,000, according to Western papers. It was built in 1916 and might have been further extended but for the change in freight rates.

Many Opponents Poultry Schemes Among Retailers

From Our Own Correspondent

OTTAWA.—Opposition to the proposed poultry marketing schemes, now pending decision of the Dominion Marketing Board, has developed in the prairie provinces, with the result that opposed interests are to be heard at Ottawa in the second week of December.

Opposition is coming from retail merchants in the small towns who fear that adoption of the schemes would put them out of the poultry business, as well as from hundreds of poultry raisers who do not find the prospect of an 100 per cent pool pleasing. These poultry farmers it appears operate near the larger centres and now have profitable markets which they would have to turn over to the Marketing Board under the schemes.

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	Price	Yield
Acadia Sugar 6% Pfd. (Arrears (10½%)	$ 5.00	6.00%
Allen's London 7% Pfd.	55.00	13.27%
Canada Packers 7% Pfd.	111.00	6.30%
Greening Wire 7% Pfd.	75.00	9.33%
Guelph Carpet 6½% Pfd.	93.50	6.95%
Provincial Paper 7% Pfd.	93.00	7.53%

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Bank of Montreal Report Shows Greater Liquidity

Investments Reveal Trend to Short-term Securities — Loans Are Lower — Earnings Maintained But Big Tax Entry Cuts Year's Surplus

From Our Own Correspondent

From Our Own Correspondent

MONTREAL.—Bank of Montreal's financial statement for the year ended October 31, 1934, in comparison with the report issued for the preceding twelve months period, reveals among other things, heavier investment in federal and provincial short term securities, decline in aggregate short term loans, a falling off in current loans, heavier borrowings by municipalities, increase in bank notes in circulation.

Though total assets of the bank are approximately the same as reported a year ago, the change in economic and financial conditions in the country over the past twelve months finds reflection in the items going to make up the statement. The income statement, on the other hand, shows revenues on a slightly better basis than in the 1933 fiscal year with profits for the year at $4,105,024, as against $4,005,153. Though the amount paid out in dividends on the bank's capital stock declined $120,000 during the year, a sharp increase in taxes resulted in a smaller surplus.

Particulars of the income account for the past two years follow:

	1934 $	1933 $
Net profit	4,105,024	4,005,153
Less: Taxes	900,655	508,559
Res. for premises	100,000	100,000
Dividends	2,880,000	3,000,000
Surplus	224,369	336,594
Brought forward	1,585,451	1,248,857
Carried forward	1,809,820	1,585,451

The greater liquid position of the bank's assets is seen in a comparison of the returns for 1933 and 1934. At the end of last October the Bank of Montreal's assets totalled $759,108,178 compared with $768,535,908 on the same date last year.

There is no change in the paid-up capital or reserves.

Note Circulation Greater

Notes of the bank in circulation increased during the year from $33,819,807 to $35,255,876. At the same time Dominion notes held by the bank advanced by more than $5,000,000 to $62,719,116. Gold and coin on hand dropped nearly $2,000,000 to $15,127,994. The deposit in the Central Gold Reserve jumped from $4,000,000 to $9,000,000. Advances under the Finance Act remained the same at $9,000,000.

Large Government Deposits

The statement of liabilities contains two new items this year, namely, deposits by and balances due to the Dominion Government amounting to $36,803,966 and deposits by and balances due to the provincial government of $9,897,321, a total of $46,701,287.

Public Deposits Lower

Because of the altered Bank Act which requires the government deposits to be shown separately, non-interest bearing deposits by the public, for example, fell off from $124,821,612 to $98,958,738, while public deposits bearing interest declined from $509,874,488 to $476,551,846, making an aggregate contraction in public deposits of $59,185,517. Last year, however, the government deposits were included in public deposits. So the net decline this year is really $12,484,230.

Loans Are Less

Turning to assets the statement for the current year shows a falling off in both call and current loans. Call loans in Canada increased about $700,000 to $8,399,657, but those outside of the country declined over $4,000,000 to $32,133,844. Current loans and discounts in Canada dropped from $209,687,788 to $197,270,857, while those outside of the Dominion decreased from $11,807,865 to $8,816,921.

While the total of assets declined around $9,000,000 during the past year, call and current loans fell off nearly $20,000,000. The difference finds reflection in an increase in loans to "cities, towns, municipalities and school districts" from $26,486,724 to $33,547,778, and in the investment account. The changes noted in the latter are of special interest.

In the 1933 report the Bank of Montreal showed its investment in Dominion and provincial securities, amounting to $266,818,770, as one item. The current statement is segregated to show $149,192,665 invested in direct and guaranteed federal and provincial securities maturing within two years and $135,716,136 in longer term securities of the same class.

The old item of "Canadian municipal securities, and British, Foreign and Colonial public securities other than Canadian," has been broken up. This item in the 1933 report accounted for $39,478,461 of the assets. In the current statement Canadian municipal securities are shown separately at $17,147,832, while public securities, other than Canadian, are down on the books at $12,350,509, the two showing a contraction of around $10,000,000 from that reported a year ago.

The next item among investments is "other bonds, debentures, and stocks," amounting to $3,633,558. In the 1933 report this classification was preceded by "Railway and . . ." and the value placed opposite was $11,185,055.

INTER. P. AND P. RECORDS DEFICIT ON OPERATIONS

Third Quarter's Returns Fall Behind Those of Last Year

From Our Own Correspondent

MONTREAL.—International Paper and Power Co. reports a net deficit of $1,581,572 for the third quarter of 1934 compared with a profit of $431,259 in the same period a year ago.

This relatively unfavorable showing is explained by A. R. Graustein, president in a statement to the shareholders, as due to three factors. Earnings of power subsidiaries were lower as their consolidated gross revenues declined and their operating expenses and taxes rose sharply. Tonnage deliveries of pulp and paper ran about 17 per cent below the record high level of the third quarter of 1933 and cost of labor and materials increased. Provision for depreciation totalled $2,418,185 this year as against $2,076,096 last year.

Deficit Totals $1,581,572

The decline of about $2,500,000 in gross revenue for the third quarter finds reflection in net revenue, which amounted to $9,835,225 as against $11,844,556 a year ago. In the following comparative income statement for the third quarter of 1934 and 1933, it should be noted that though there is a book deficit of $1,581,571 for the current period, cash income exceeded cash outgo by over $2,000,000.

	Qtr. ending * Sept. 30, 1934 $	Qtr. ending Sept. 30, 1933 $
Gross revenue	34,892,142	37,329,985
Less: Expenses	25,234,433	25,758,576
	9,657,709	11,571,409
Add: Profit on bonds, etc., redeemed	177,516	273,148
Net revenue	9,835,225	11,844,556
Less: Interest on funded debt and other interest	4,966,061	5,096,319
Depreciation	2,418,185	2,076,096
Depletion	196,476	218,099
Amortization of discount and expense	340,785	340,349
Reserve for income taxes	500,403	510,752
Dividends on preferred & minority common stocks of subsid.	2,107,474	2,212,387
Divds. accr. but not being curr. pd. on pf. & cl. A stks. of subs.	779,505	653,101
Minority interest in earnings of subsidiaries	107,907	306,294
	11,416,798	11,413,297
Net loss or profit	1,581,571	*431,259
Deficit beginning	4,643,747	570,331
Deficit end	6,225,318	139,072

* Profit.

Report Cumulative Returns

Cumulative returns for the nine months ended September 30, 1934, show a gross income of $106,482,582, as against $99,104,558 for the corresponding period of 1933. An increase in operating expenses practically offset the advance in gross, leaving net revenue at $31,537,097, or much the same as in 1933. After deducting all charges, there was a deficit this year of $3,625,127 compared with $3,343,231 a year ago.

Particulars of the profit and loss statement for the first nine months of 1934 and 1933 follow:

	9 mos. end. Sept. 30, 1934 $	9 mos. end. Sept. 31, 1933 $
Gross revenue	106,482,582	99,014,558
Less: Expenses	75,512,194	68,843,938
	30,970,388	30,170,620
Add: Profit on bonds, etc., redeemed	566,709	941,818
Net revenue	31,537,097	31,112,438
Less:		
Int. on funded debt and other int.	14,981,801	15,430,811
Depreciation	7,562,591	6,392,578
Depletion	547,133	563,033
Amort. of disc. and exp.	1,011,025	1,004,261
Res. for income taxes	1,754,906	1,533,389
Dvds. on pref. and min. com. stocks of subsid.	6,548,422	6,673,358
Dvds. accrued but not being currently paid on pref. and Class A stocks of subsid.	2,085,728	1,934,535
Min. int. in earnings of subsid.	670,618	933,604
	35,162,224	34,455,669
Net Loss or Profit	3,625,127	3,343,230
Deficit or Surplus Beginning	2,600,191	3,204,158
Deficit End	6,225,318	139,072

Unpaid cumulative dividends on 7% and 6% preferred stocks of International Paper & Power Company from April 1, 1931, to September 30, 1934, amount to $23,097,571.00.

News of Canadian Mining Investments

The Week in Mining

Vicious Gossips Busy

SEEN by some market observers as the result of a deliberate short-selling campaign by unknown group or groups, the market passed an unsettled week, with most senior, and many junior issues taking marked losses.

Trading was, on the whole, sluggish, with most of the volume in the junior issues. Lake Shore, Dome, McIntyre, Hollinger, Teck-Hughes and Howey were among the more prominent issues to show losses during the week. Little Long Lac, whose mill turned over for the first last Saturday, showed a slight recession, as did Pickle Crow and God's Lake.

The prevailing atmosphere was one of uncertainty and doubt, which formed fertile ground for the crop of rumors which was one of the outstanding factors in the week's market.

While a lot of this unpleasant atmosphere can doubtless be laid to the series of enquiries which have been conducted, or are being conducted in Quebec, Ontario and British Columbia, and, of course, to the unsettled political picture in United States, there seems to be good ground for believing that the rumor mongers, who were recently given stern warning from the Ontario Securities Commission, are more active than ever.

There are a lot of interesting angles to the psychology of the mining market, but nothing more interesting than the costly credence given these wild reports. They are extremely difficult to nail, once they have been started, because of a number of reasons, chief among them being the comparative remoteness of most of the companies affected. Many of them also, have some slim basis in fact. An example of this was recently offered in the case of a northern Ontario company, which, in sinking its shaft, struck an underground spring, and was hampered for a few hours by a slight influx of water. The mine manager reported, as a matter of routine, on this development to the president of the company in Toronto. The president was amazed a few hours later, when his telephone started ringing and anxious shareholders began asking him if it was true that the shaft was flooded, and that work had to stop. He did the right thing, and issued, over his signature, a statement to the press on the true condition of affairs. But in the meantime, the stock had suffered, and many ill advised shareholders had sold at a loss.

Another story recently reported, which verged on the ludicrous, was that the president of a large gold mining company was in a strait jacket at the property attended by three nurses.

This of course, was an extreme case, but it serves to illustrate to what lengths professional short sellers will go to make a profit. The mining market has been listless and commissions small. Short selling, accordingly, provides a tempting method to the dishonest broker or market operator to make a much needed profit. The slightest rumor is sufficient for such men to start a whispering campaign against a certain stock.

While frequently such stories cannot be stopped until much damage has been done, mine managers and presidents of companies can clear the situation up materially by being alert to the whisperings on the street, and promptly issuing, over the signature of some responsible official of the company, a true statement of the conditions at the property, or the state of health of the president, as in the case cited above. If the president has only two nurses attending him, let the company say so. No responsible mine official is going to issue a deliberately false statement, which would undoubtedly be used against him later when the true facts of the case came to light.

* * *

Protective Associations

THE Ontario Securities Commission is having a busy time of it these days coping with the rackets and rumors of rackets which always come to light when the market eases off a bit. The latest to be exposed is the "Shareholders Protective Association" racket, which, according to J. M. Godfrey, K.C. securities commissioner, is again active.

It is reported that a group of individuals have been approaching holders of MacFarlane Long Lac stock, and urging them to join a "protective" association. Their story was that $60,000 had been mysteriously located in a New York bank, and was available to shareholders for the asking. All they had to do was to start concerted action, and this could only be accomplished by joining a "protective association," for which the entry fee was 15 per cent of the amount of their holdings.

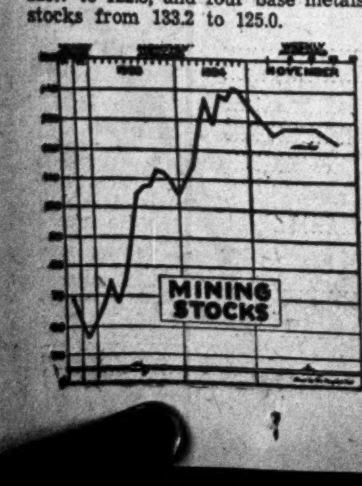
In another case, an old couple had been sold $2,300 of worthless stock by a U.S. crook. The same man returned to them later and urged them to join a protective association to get their money back, offering to do so for an advance of 15 per cent of the $2,300.

* * *

Index to Mining Stocks

THE weighted index number of twenty-three mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 122.4 for the week ending November 22, as compared with 129.5 for the previous week.

Nineteen gold stocks fell from 129.7 to 122.8, and four base metals stocks from 133.2 to 125.0.



THREE PRODUCERS AT MATACHEWAN ENDORSE REVIVAL

Expect Old Camp to Produce $1,200,000 Annually by Dec. 21

From Our Own Correspondent

SUDBURY — The Matachewan mineral district now has three producing mines, with development proceeding on other properties. It is expected that the camp by the end of the present year will be turning out new gold at a rate of between $1,200,000 and $1,500,000 annually.

After a temporary setback due to destruction of a portion of the mill by fire last summer, the Young-Davidson Mine, owned by Hollinger Consolidated, is getting into its stride. The mill is now operating close to capacity, which is 500 tons per day.

Matachewan Consolidated

While, according to last report, underground operations at the Ashley Gold had not been as encouraging as hoped for, the mill is running steadily at approximately 120 tons daily capacity, and regular shipments of gold bricks are being made to the mint.

Matachewan Consolidated Mines, controlled by Ventures, recently brought its 100-ton mill into production, and operations are said to be successful. Output, it is believed, will be around $20,000 per month.

Officials of Central Matachewan Mining Corporation report a new discovery on their property in Baden Township. Over vein widths of 4½ ft. it is stated, high assays have been obtained. The discovery is believed to be an extension of the high-grade shoot located some time ago. It has not yet been fully explored.

EXPERTS STUDY CRUDE OIL FIND ON SASK. BORDER

Senator Oil & Gas Gets Report on Sample of Bituminous Substance

From Our Own Correspondent

WINNIPEG—Through the activities of the Senator Oil and Gas Development Co., of Ottawa, it begins to look as though Manitoba would shortly be in the crude oil business, the production end.

The Petroleum Engineering Company of Winnipeg, drilling contractors for the Ottawa company at Hudson Bay Junction, a few miles over the boundary in Saskatchewan, has just received a report on the sample of bituminous material obtained two or three weeks ago from the well four and a half miles south of the junction. The report which is signed by F. J. Fraser of the Dominion Government service says "The sample is a thick viscous substance that is bituminous in character and yields much oil on distillation. The residue after extraction is largely made up of clean quartz grains, mostly angular, but some are well rounded; other constituents are carbonized plant remains and steel splinters. The sand effervesces with hot acid. Ignition of the original sample yields a reddish brown clay-like mass."

Senator Oil and Gas has now sent in Dr. D. F. MacDonald, associate professor of Geology at St. Francis Xavier University, Antigonish N.S., an expert with an international reputation. He is already on the property. He will look over the entire field together with W. B. Fry, the geologist who discovered the field. He will advise on procedure in further drilling the well and on development plans generally. Dr. MacDonald will report to J. A. McVicar at Winnipeg, western representative of Senator Oil and Gas. The company in the meantime is casing the ten-inch hole preparatory to the further drilling.

There are now about 60,000 acres under lease in the locality and several other companies are preparing to drill their holdings including Amalgamated Oils of Winnipeg and a company being financed by interests around Prince Albert.

No oil discovery in recent times has created so much interest as the Hudson Bay Junction find, principally for the reason that for many years geologists have staunchly asserted there was in existence an oil field somewhere in the district.

MacFarlane Shareholders Await Engineer's Report

Shareholders of MacFarlane Long Lac Gold Mines are anxiously awaiting release of an engineer's report on the property, which company officials state is at present being made.

MacFarlane Long Lac, the stock promotion of which was recently investigated by the securities' commissioner of Ontario, has had returned to it the sum of $21,500 by the parties who participated in the sale. During the investigation, it was revealed that most of the stock recently sold to the public was vendors' stock and that accordingly the proceeds of the sale did not go into the treasury of the company. The books of the company are being audited, and a new board of directors has been elected comprising A. B. Stoddart, W. J. McDonough, John Inwood, F. J. MacFarlane and J. H. Rattray.

After the accounts have been prepared and the engineer's reports received, a special general meeting will be called to discuss future policies, W. J. McDonough informs The Financial Post.

Wekach Lake Gold Claims Large Ore Body Indicated

From Our Own Correspondent

WINNIPEG—F. C. Avery, vice-president and managing director of Wekach Lake Gold Mines, close neighbor to the Henning Maloney property says surface work and shaft sinking by handsteel to a depth of 22 ft. gives strong indications of a large ore body, the mineralized zone being over 50 ft. in width and traceable for more than a thousand ft. It is understood the property at present is under option to New York interests, if satisfactory terms can be arranged.

McKenzie - Red Lake's New Plant

Judged by present progress, the new 125-ton mill being installed on the property of McKenzie Red Lake Gold Mines will not be ready until next spring. Above is a recent picture showing, to the left, a glimpse of the shaft, and to the right, framework for the mill house. This is one of many activities which have recently again brought the Red Lake district into prominence.

New Companies In 1934 Near All Time Record

A total of 241 mining companies have been incorporated under Ontario charters during the current year to date, a survey by The Financial Post reveals. This is a considerable increase over the total of 95 incorporated in 1933 and compares with an all-time record of 321 established in 1907 when activity in the Cobalt area expanded into South Lorraine and Elk Lake districts. In 1928, 211 companies were incorporated.

While this increase in the number of mining companies formed reflects the enormous increase in mining activity which Ontario has experienced during the current year, it is far from being an accurate measure of mineral development in the province. A salient feature of the 1934 activity has been the reopening of old properties. Companies which have been inactive for years have been revived and are once more exploring and developing their properties. Numerous extra-provincial companies have been licensed to carry on operations, and a great many syndicates have been formed to prospect and carry out development in both old and new fields.

The number of mining claims recorded will also reach a high level. It is estimated that some 14,000 claims have been staked as compared with 8,077 in 1933. This is somewhat lower than the record year of 1927 when 15,554 claims were recorded. A large part of the staking activity in the present year has been confined to the Port Arthur mining division, which includes the Little Long Lac and Sturgeon River areas. The latter was the scene of Canada's latest gold rush of importance.

Fifty-six new charters for mining companies have been issued by the Manitoba government for the eleven months to Nov. 1. These include charters for companies operating in the Rice Lake division, Gods Lake, Oxford Lake, Knee Lake, The Pas district and Granville Lake lying to the north of the Cold Lake district.

M.P.P.'S WILL ACT AS PROBE URGED McL.-COCKSHUTT

Northern Shareholders Want Open Enquiry Into Company

From Our Own Correspondent

SUDBURY.— As the result of a meeting of about 150 disgruntled shareholders at Port Arthur at the week-end, J. E. Crawford and C. W. Cox, members of the Legislature for Fort William and Port Arthur constituencies, will interview the Ontario securities commission and the minister of mines this week with respect to the MacLeod-Cockshutt Gold Mines, operating in the Little Long Lac area, which announced last week that work would be suspended at the end of the month if no better results were indicated from development.

At the meeting, which was held in the office of Wiley-Dobie at Port Arthur, there was widespread demand for an open and independent investigation of the condition of the company and its property, and the outcome was the selection of a protective committee to look after the interests of the shareholders in the lakehead cities, of whom there are said to be around 1,200.

Mr. Crawford and Mr. Cox met the protective committee afterward and agreed to act for them before the authorities at Toronto.

Bilmac Gold is Active In West Shining Tree

From Our Own Correspondent

SUDBURY.—Bilmac Gold Mines, which emerged from the amalgamation of White Rock Gold Mining Co., Atlas and the Harvey Kirkland Mines holdings in the West Shining Tree area, has a small force of men at work exploring the old workings, preparatory to a campaign of development, the nature of which is yet to be decided.

At present, under James Grant, men are sampling the various workings and getting the properties in shape for more aggressive operations.

The three mines involved in the merger are pioneer properties in the West Shining Tree district. The White Rock Mining Co. was organized in 1919 by Sudbury interests. A 170-ft. shaft was sunk some years ago and approximately 1,000 ft. of lateral work performed. The Atlas was also under development in the early days of the camp. The property was later taken over by the A. J. Young interests and has been inactive for some time. Some work was also done on the Harvey-Kirkland. Mining plants and camps are available on the White Rock and the Atlas.

Kirkland Consolidated Awards Drill Contract

The most recently encountered vein on the property of Kirkland Consolidated Mines in Grenfell township in the Kirkland Lake area is to be tested for both length and depth, the company announces. A contract for 10,000 ft. of diamond drilling has been let. It is planned to drill a series of holes approximately 100 ft. apart in order to examine the vein at a depth of 500 ft. Several holes are to be sunk to a depth of 750 ft. and 1,000 ft. as well.

Ralph Hurd, M.E., engineer in charge of operations at the Grenfell property, reports that work has been concentrated on exploring the property on surface and on the 250-ft. level. The original find on the surface, known as vein No. 1, was opened up on the 250-ft. level for a length of about 200 ft. before it entered a faulted area. In sinking, crosscutting and diamond drilling five additional mineralized zones were encountered and preliminary work extended along these veins.

At the Mines

Algoma-Summit — Shaft sinking, which was recently suspended during mill installation, has been resumed on the former McCarthy-Webb properties now held by this company. The mill is being tuned in and is operating on a three-shift-per-day basis.

* * *

B. C. Nickel Mines.—Officials of this company report that the cross-cut from a point 512 ft. from the portal of No. 1 tunnel has been driven 359 ft. toward No. 2. It is reported that this cross-cut has been in pyroxemite from 312 ft. Meanwhile No. 2 tunnel has been advanced to 1,974 ft. with heading in pyroxemite.

* * *

Chalute Matachewan Gold Syndicate.—Douglas A. Mutch, consulting engineer, has recommended that further work be done immediately on the syndicate's property in the Matachewan area to prove up the mineralized showings. Stripping and further development work will be carried out at once, the company reports, and a diamond drilling programme to test the ore body at depth is under consideration.

* * *

Congress Gold Mines.—At an annual meeting of this company recently, shareholders were informed that financing for further development had been negotiated with C. M. Oliver and Co. Optimistic reports regarding progress were given.

* * *

Grange Mines.—The present face on the south drift of No. 6 level shows 5.6 ft. of ore assaying .66 oz., A. J. Gaul, company engineer reports. In the north, the vein is said to be averaging 18 ins. running about 2 oz. of gold per ton. The mill on this company's property is currently handling about 42 tons per day and is being stepped up gradually to 60 tons.

* * *

Home Oil Co.—This company which owns 66,000 shares in Placer Engineers Ltd. reports that the latter company after hydraulicking only a few ft. bench values of $7,000 were recovered. Work closed down for the winter some weeks ago and will be started again sometime in April, 1935.

* * *

Kremar Gold Mines.—M. Osborne Inglis, of Toronto, has taken an option on the properties of Kremzar Gold Mines in the Goudreau area. It is planned to continue surface exploration and some diamond drilling may be done.

* * *

Morning Star (Fairview).—Shareholders of this company were informed at an annual meeting recently by Robert Clarke, mining engineer, that four positive and two possible shoots of commercial ore have been developed along a length of 1,100 ft. Mr. Clarke recommended a programme of work which is estimated to cost $6,000 to prove up more ore.

* * *

McLaren-Porcupine — J. M. McLaren, vice-president, announces that the installation of a 15-ton mill in addition to the present unit has been decided on. The plan is to operate both units as a financing measure while installation of the 50-ton mill is continued during the winter.

* * *

Northern Canada Mining Corporation — Declaration of an initial dividend of two cents per share payable Jan. 2, 1935, to shareholders of record Dec. 15, 1934, has been announced by Northern Canada Mining Corporation. The company operates as an investment company and holds controlling interest in Kirkland Lake Gold Mines which joined the dividend-paying class only a short time ago.

Nine Mos. Gold Figures Show Striking Result Of Low Grade Policy

Volume of Output in Ontario Drops 3.37 Per Cent But Value Increases 29.9 Per Cent — Quantity of Ore Treated Also Increases

Taking gold at the old statutory price of $20.67 an ounce, gold production from all sources in Ontario during the nine months ended Sept. 30, 1934, was $1,130,231 below the corresponding period of 1933, volume of output showing a decline of 3.37 per cent. Taking exchange compensation of $21,663,759 into consideration, however, the production value in 1934 was $12,578,919 in excess of that for the nine months of 1933, an increase of 29.9 per cent. The value of production, including exchange equalization, in the 1934 period was $54,559,266 as against $41,980,347 in the nine months ended Sept. 30, 1933.

While ounces recovered have declined, the quantity of ore treated has increased, moving up from 4,150,770 tons during the first three quarters of 1933 to 4,699,470 tons in 1934, an increase of 12.4 per cent. This performance indicates the increased milling facilities and also the ability of the mines to treat lower-grade ore. At Porcupine the average value per ton of ore treated at the standard price of gold was $5.32 per ton; at Kirkland Lake, $10.53 per ton, and in Northwestern Ontario, $2.75 per ton. During the period seven mines reported production from Porcupine, eleven from Kirkland Lake and twelve in Northwestern Ontario.

Third Quarter Higher

Production in the third quarter increased slightly as compared with the second quarter. In the three months ended Sept. 30, output amounted to 523,789 ounces as compared with 498,474 in the previous quarter. Production in the first quarter totalled 541,748 ounces.

The following tabulation gives production figures of the various producers:

PORCUPINE CAMP

1934	3rd quar.	9 mos.
Anglo-Huronian (Vipond)		
Total recovery	$80,041	249,028
Tons milled	25,191	75,984
Rec. per ton	$3.17	3.27
Tons daily	274	278
Buffalo Ankerite		
Total recovery	$106,476	315,304
Tons milled	32,658	90,626
Rec. per ton	$3.26	3.48
Tons daily	355	332
Coniaurum		
Total recovery	$156,597	398,498
Tons milled	35,540	101,439
Rec. per ton	$4.40	3.93
Tons daily	386	371
Dome		
Total recovery	$1,066,056	3,257,934
Tons milled	136,300	409,500
Rec. per ton	$7.82	7.95
Tons daily	1,482	1,500
Hollinger		
Total recovery	2,217,931	6,562,812
Tons milled	505,260	1,420,703
Rec. per ton	$4.39	4.62
Tons daily	5,492	5,204
Marbuan		
Total recovery	$35,685	......
Tons milled	13,050	......
Rec. per ton	$2.73	
Tons daily	142	
McIntyre		
Total recovery	$1,368,006	3,770,822
Tons milled	219,900	631,245
Rec. per ton	$6.22	5.97
Tons daily	2,390	2,312
Miscellaneous		
Total recovery	$2,165	2,165
Kirkland Lake Camp		
Ashley		
Total recovery	$72,852	207,214
Tons milled	11,188	32,632
Rec. per ton	$6.51	6.35
Tons daily	122	120
Barry Hollinger		
Total recovery	$28,479	67,392
Tons milled	10,074	22,904
Rec. per ton	$2.83	2.94
Tons daily	110	84
Bidgood		
Total recovery	4,142	......
Tons milled	2,433	......
Rec. per ton	$1.70	
Tons daily	26	
Kirkland Lake Gold		
Total recovery	$129,236	315,774
Tons milled	16,933	47,669
Rec. per ton	$7.63	6.62
Tons daily	184	175
Lake Shore		
Total recovery	$2,445,286	7,466,659
Tons milled	210,083	625,998
Rec. per ton	$11.64	11.92
Tons daily	2,283	2,293
Macassa		
Total recovery	$172,419	516,054
Tons milled	17,194	50,494
Rec. per ton	$10.03	10.22
Tons daily	187	185
Moffatt Hill		
Total recovery	12,823	38,190
Tons milled	1,907	3,179
Rec. per ton	$6.72	12.01
Tons milled	21	12
Sylvanite		
Total recovery	$244,397	769,286
Tons milled	28,773	77,433
Rec. per ton	$8.49	9.93
Tons milled	313	283
Teck-Hughes		
Total recovery	$868,207	2,674,122
Tons milled	111,040	346,340
Rec. per ton	$7.82	7.72
Tons daily	1,207	1,269
Toburn		
Total recovery	$103,447	309,945
Tons milled	9,430	27,120
Rec. per ton	$10.97	11.43
Tons daily	102	99
Wright Hargreaves		
Total recovery	$1,054,724	3,421,695
Tons milled	87,407	267,348
Rec. per ton	$12.07	12.79
Tons daily	950	979
Miscellaneous		
Total recovery	$2,165	2,165
Northwestern Ontario		
Ardeen (Moss)		
Total recovery	$31,904	91,910
Tons milled	18,834	27,396
Rec. per ton	$1.69	3.35
Tons daily	205	100
Central Patricia		
Total recovery	$63,151	......
Tons milled	6,195	......
Rec. per ton	$10.19	
Tons daily	67	
Dikdik (6 mos.)		
Total recovery	$	22,649
Duport (6 mos.)		
Total recovery	$	1,417
Tons milled	......	25
Foley (6 mos.)		
Total recovery	$	1,783
Tons milled	......	86
Golden Star		
Total recovery	$961	1,585
Tons milled	......	260
Rec. per ton	$	61
Howey		
Total recovery	$218,998	754,530
Tons milled	123,654	363,086
Rec. per ton	$1.77	$2.08
Tons daily	1,344	1,329
J. M. Consolidated		
Total recovery	$11,038	13,933
Tons milled	1,427	1,948
Rec. per ton	$7.73	7.15
Tons daily	155	......
Minto		
Total recovery	$27,577	78,814
Tons milled	44,316	14,559
Rec. per ton	$6.37	5.41
Tons daily	50	53
Northern Empire		
Total recovery	$35,877	63,241
Tons milled	7,171	14,949
Rec. per ton	$5.00	4.23
Tons daily	78	55
Parkhill		
Total recovery	$31,434	124,492
Tons milled	5,376	14,920
Rec. per ton	$5.84	8.34
Tons daily	58	55
Saundary Synd. (6 mos.)		
Total recovery	$	261
Tons milled	......	13
St. Anthony		
Total recovery	$25,099	30,984
Tons milled	7,851	9,643
Rec. per ton	$3.20	3.21
Tons daily	85	35
Total Ontario Gold Mines		
Total recovery	$10,592,408	31,611,611
Tons milled	1,648,445	4,699,470
Rec. per ton	$6.42	6.73
Tons daily	17,917	17,214

C. & E. CORP. MEETING DISTRIBUTE $430,000

Surplus Would Amount to 17½ Cents Per Share Outstanding

Officials of Calgary and Edmonton Corporations have called a meeting of shareholders for January 7, 1935, to consider the distribution of $430,000 surplus. This amount, on the 2,415,000 shares outstanding is the equivalent of about 17½ cents per share. At a recent annual meeting of the company, it was announced that the well being drilled jointly with Imperial Oil was spudded in on October 21. It was also announced that Miracle No. 2 had come into production with a flow of over 100,000 bbls. per day and that Sterling Royalties, drilling on the company's property, had reached a depth of 4,500 ft.

Kingfisher Concentrates on Drilling for Six Weeks

From Our Own Correspondent

WINNIPEG—Drilling on the Kingfisher Mine in the Long Lake area of Central Manitoba which has been shut down for a week, will be resumed this week, further contracts having been let for very considerably increased drilling footage. The last hole, No. 13, cut commercial ore, according to W. E. Bailor, vice-president and managing director. Mr. Bailor says it has been decided to concentrate on the drilling end of the development for the next six weeks and all other surface work has practically been suspended. C. A. Newton, resident engineer, is preparing a report which will be available within a few days.

Kenora's 1934 Stakings Triple Those of 1933

From Our Own Correspondent

SUDBURY. — J. D. C. Smith, mining recorder, states that 1934 claim recordings will triple those of the previous year in the Kenora mining Division. The number now registered for this year is 872, with over one more month to go. In 1933 the number of claims recorded was only 329.

The claims have not been concentrated in any one part of the district, but have been spread all over the Lake of the Woods and tributary waterways, to the east and the north. There has been a marked renewal of mining activity at Straw Lake, some 75 miles southeast of Kenora.

Urges Pilot Concentrator for Canada Radium Mines

In a report made for Canada Radium Mines, M. B. R. Gordon, mining engineer, recommends that the company install a pilot concentrating plant of 20 to 25 tons per day capacity on the company's property in the Township of Cardiff, Haliburton Co., Ontario.

In his report, Mr. Gordon suggests that by this method, which would be a form of selective mining, the high grade products could be obtained for the mill and the balance of the ore stock-piled for future milling. He reports that the shaft is down 350 ft. A station has been cut on the 125 ft. level and a drift run south 220 ft., a cross-cut 97 ft. and 74 ft. west. All underground work to date has been in pegmatite, according to Mr. Gordon.

Aldermac Will Install 100-ton Sulphur Plant

Operations at the Aldermac Mine are being discontinued temporarily pending the installation of a 100-ton plant for the production of sulphur from pyrites by the chlorinization process. Announcement has been made by officials of the company that Aldermac Mines have secured exclusive rights for Eastern Canada and Newfoundland for the manufacture and sale of sulphur produced from pyrites by this method, and that the installation of a 100-ton unit for this purpose will be proceeded with during the winter months.

It is officially stated that the new process will double the value per ton of Aldermac ore reserves through the higher price which will be obtained for pyrites, and the elimination of a large portion of present freighting and smelting costs.

Young Shannon Eludes Feared Water Hazard

Young-Shannon Gold Mines which is conducting interesting underground work on Clam Lake, Chester Twp., north of Sudbury, reports that the diamond drilling from the first level of the shaft on Shannon Island out into the main break under the lake reveals no water hazard coming from the main zone and that accordingly they are confident that drifting is practical from the present dry shaft out in the direction of the rake of the ore into deeper water westward. Operating their own diamond drill, ice conditions will for the first time provide a set up to drill against the dip of the ore. In the meantime, a surface crew is trenching showings on the next island with, the company reports, encouraging results.

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RICHSTRIKE BUYS YANKEE JACK MINE MILL AT BOSWELL

B. C. Concern to Operate in California and Canada

From Our Own Correspondent

VICTORIA.—Richstrike Gold Mines, a British Columbia company with its major operations located in California, has purchased the Yankee Jack mine adjoining their Boswell operation near Redding and will operate the two mines jointly, putting all ore through the Boswell mill, it has been announced by E. J. Parker, president of the company.

The Yankee Jack mine, which is developed by five levels, is the most valuable acquisition made by the B. C. company for some time.

Three veins have been opened up underground so far, two of which average four ft. in width and the third two ft. The most valuable of these has been developed on the 100 and 200-ft. levels and is known to exist at the 300-ft. level. Careful assaying showed it to contain gold values of from 4 oz. per ton to 100 oz. per ton, while several enriched sections show values of from 100 oz. up.

The second vein has been traced from the 200-ft. level up to the 100-ft. level and 16 ft. away from this high-grade shoot the vein matter is four ft. wide.

The third vein, two ft. in width, has an average so far as it has been developed of approximately $180 per ton.

The main vein has been drifted on in the 200-ft. level for about 100 ft. and maintains its width and high values throughout.

Average Grade $45

According to Emil Schnee, managing director of Richstrike Gold Mines, the average grade of the Yankee Jack ore which they have been treating in the Boswell mine has been $45 per ton and it is expected that this average will be maintained operating the mill at its rated capacity of 60 tons per day. Tailings vary between 30 and 35 cents, indicating efficiency of over 99 per cent recovery.

On a recent visit to the new property, R. W. Pooley, former Attorney-General for British Columbia, broke off several samples of high-grade showing substantial amounts of free gold and these, taken to Vancouver, have been found to contain $4,000 worth of gold. The samples filled an apple box.

Changes in the Boswell mill have all been completed and the plant is in steady operation, treating up to 50 tons of ore per day. From the tuning up operations officials of the company state there are now over 200 sacks of concentrates ready for shipment and on his return from the mine several days ago Mr. Parker brought with him as a sample a ball of amalgam weighing 55 oz., which, retorted by a Vancouver assayer, produced 20½ oz. of gold worth $697.

SUPERIOR GOLD SHIPS FIRST CONCENTRATES

Carload From Providence Mill Contains 35-40 Tons

From Our Own Correspondent

VICTORIA. — First carload of concentrates of between 35 and 40 tons from the Providence mill of Superior Gold Mines left Greenwood November 21, it is announced by officials of the company. Figures on the value of these concentrates and returns from the smelter are expected in a few weeks.

The mill, which commenced grinding on October 27, is stated to be operating at capacity of 60 tons a day and to be giving satisfactory service. Present development at this mine consists of drifting on the fifth level in what is reported to be high grade ore.

An announcement by the management also states that the power line from the Dentonia to the Superior's North Star property has now been completed and the new compressor building finished. Development work at this property is to be resumed immediately it is understood and shortly after the first of the year ore from this mine will be treated along with the production from the Providence in the company's mill at the latter property.

Marsh Lake Gold Formed for West River District

From Our Own Correspondent

SUDBURY—After spending $8,000 in exploration of their properties in the West River area, owners of what are known as the Schwarte claims, have organized the Marsh Lake Gold Mining Syndicate for a more ambitious programme of development. The property consists of 18 claims in two groups in Mongowin Township north of McMillan Gold Mines, and considerable work has been done during the last six years.

Sampling from trenches and pits at various times since 1928, it is stated, have given independent assays ranging from a trace to $58 over a 13-ft. width, with gold at $20.67 per ounce. Twenty-four samples from surface work average $6.30 per ton.

Immediate plans are for a diamond-drill campaign to prove the indicated ore deposits to the 600-ft. level, and to extend the existing shaft to 100 ft., at which depth crosscutting and drifting will begin.

The Marsh Lake Syndicate has an authorized capital of 10,000 units, each unit entitling the holder to 250 shares in a limited company of 2,000,000 n.p.v. shares, which it is intended to organize.

RUSHING PLANS FOR NEW MILL AT YMIR CONS.

Over 60 Men Working at Old Stobie-Forlong Camp

From Our Own Correspondent

VICTORIA.—Over 60 men are now being fed every day at the old Stobie-Forlong camp on Wildhorse Creek which has been taken over by Ymir Consolidated Gold Mines and development work at the Goodenough and road and building construction at the Ymir is being rushed to completion in preparation for the installation of the new mill, according to A. M. Manson, secretary of the company.

It is understood that the raise from No. 3 level to No. 2 level at the Goodenough is now almost completed and the extension of the drift on No. 1 level is stated to be in six feet of good ore. The 250-ton ore bunkers at the No. 3 level portal are almost finished.

At the Ymir property good progress is being made with the grade from the No. 10 adit to the mill building. It is the intention to take all ore over this grade by electric train to the bins and crushing plant.

The West Kootenay Power Co. have connected the former Stobie-Forlong camp with power and are extending the lines to the mill building. A contract has been let for the construction of a blacksmith shop, compressor house, warehouse and change house at the portal of No. 10.

The ditchline for water for the mill and dam construction are now both under way.

Plan Small Railroad For J. M. Consolidated

To expedite transportation of materials and supplies from Gold Pines to the property of J. M. Consolidated Mines in the Patricia district of Ontario, a narrow gauge railway from Gold Pines, a distance of 42 miles, is to be built, it is officially reported. This line will be of the military type, similar to those built behind the lines in France during the war, and it will follow the power line right away using horses to pull the cars. The cost of the project, it is estimated, will be small, and consists only of the purchase of large rails and the labor of cutting and laying ties. No road bed will be built.

Dr. J. F. Wright Joins Flin Flon Gold Board

From Our Own Correspondent

WINNIPEG.—Dr. J. F. Wright has joined the board of the Flin Flon Gold Mining Syndicate. The company has completed its diamond drilling programme at the property, Douglas Lake, and Dr. Wright accompanied by C. B. Gwillam, mining engineer, are both now at the property making a survey of the work done to date. Concurrently with the drilling, surface work brought to light two additional vein systems and on these a considerable amount of trenching has been done over a length of several hundred ft.

The company plans an active programme of shaft sinking and underground development.

Silver

Silver futures on the Canadian Commodity Exchange were strong on Nov. 26, after a softening in the middle of the week. The exchange now has about 1,500,000 ounces in storage, the total trading to date being 11,600,000 ounces.

Current reports from Washington reveal that the clouds of depression are still heavily lined with silver. There is a general air of confidence that the Roosevelt silver policy will continue to operate to the satisfaction of western mining interests and the national economic interest. Radical silver agitation has calmed down to fall in line with the presidential policy. Chairman Duncan U. Fletcher of the Senate Banking and Currency Committee joined with silver senators in expressing satisfaction with the existing legislation. The latter expressed the wish and the hope that the United States would lead other nations toward an international use of silver with a resulting gradual rise in its price.

As at November 16, 18,024,000 ounces had been purchased from U. S. mines and 109,227,640 ounces transferred to the United States under the Nationalization order.

Senator Fletcher has included an item on silver in his general questionnaire submitted to the leading American banking experts.

Exports of silver from Great Britain to the United States were approximately 7,350,000 ounces for the week ended November 12, 1934, a complete gain over the previous week when there were no shipments.

Trading in Montreal
(Nov. 20-26)

	High	Low	Close	Contracts
Dec. ...	54.95	53.45	53.45	88
Mar. ..	55.60	54.85	55.10	105
May ..	56.65	56.00	56.00	19

London spot—high 24 9/16, low 24¼.
New York spot—high 55⅛, low 54.

Metal Prices

New York—Nov. 27—
Copper: Electrolytic spot and future, 9c.
Silver: 55⅛c.

London—Nov. 27—
(Long Ton)—
Copper: Electrolytic spot, £30 10s; future, £31 10s. Standard spot, £27 10s; future, £27 17s 6d.
Tin: Spot, £228 15s; future, £229.
Lead: Spot, £10 12s 6d; future, £10 15s.
Zinc: Spot, £11 17s 6d; future, £12 2s 6d.
Silver: 24⅛d. per ounce.
Gold: 139s 4d.
Canada: $33.83.

Ontario's Mineral Output Sets All Time High In 1934

Government Forecast Predicts Production From Province's Mines to be Worth $136,000,000 by Dec. 31—Previous High in 1929

An official forecast made by the Ontario Department of Mines in its bulletin covering mineral production of Ontario for the first nine months of 1934 estimates that the value of the province's mineral output for the current year will reach the high figure of $136,000,000, a new record and an increase of 24 per cent over 1933. The previous high for value of mineral production was $118,000,000, established in 1929.

The remarkable recovery in the nickel-copper industry is reflected in the figures. As compared with the first nine months of last year the output of nickel rose 83 per cent in volume and 38 per cent in value. Copper produced increased 52 per cent in quantity and 35 per cent in value.

While it is estimated metals, non-metals, structural materials and clay products will all show an increase in value over 1933, the metals group is the only one to show an increase over the 1929 figure. Non-metals, structural materials and clay products are all shown at substantially lower valuations than in 1929, and while this is partly due to lower prices for the products, a decline in the volume of output has also been a contributing factor. The higher price for gold has been largely responsible for the increase in the value of output of metals. Exchange compensation, which is included in the estimate, more than accounts for the increase of $18,000,000 over 1929, amounting to $21,663,759 in the first nine months of 1934.

The official estimate for 1934 is given below compared with 1933 figures.

Mineral Output in 1933 and Estimate for 1934

Group	1933 (final) $	1934 (est.) $
Metals	95,364,365	117,600,000
Non-metals	7,094,636	8,000,000
Structural materials	6,335,977	9,200,000
Clay products	1,024,579	1,200,000
Total value	109,819,557	136,000,000

An increase in both value and quantity of Ontario's metallic output in the first nine months of 1934 as compared with the corresponding period of the previous year is shown by the report. Total production, inclusive of exchange equalization on gold, is valued at $88,269,080, an increase of 35.8 per cent over the same period of 1933. Exclusive of exchange compensation the increase in value amounts to only 17.9 per cent.

Non-metallics showed a slight improvement over the 1933 record, accounted for mainly by the increased production in natural gas, talc and sulphuric acid.

Structural materials showed improvement, reflecting the increase in building activity. Sand and gravel sales were up about 60 per cent, stone 50 per cent, cement 6.4 per cent and lime 6.3 per cent in volume. Brick and other clay products showed an increase of about 20 per cent in value.

Comparative figures of metallic production for the nine months are shown below.

Ontario's Metallic Production—First Nine Months 1933 and 1934

Product		Quantity 1933	Quantity 1934	Value (Canadian funds) 1933 $	Value (Canadian funds) 1934 $
Gold	oz.	1,618,627	1,564,011	41,980,347	54,559,268
Silver	oz.	3,344,284	4,024,261	1,167,132	1,824,094
Platinum metals*	oz.	19,350	89,804	516,000	2,678,678
Copper, metallic, and in ores exported	tons	42,449	70,263	7,266,385	10,584,587
Copper in matte exported	tons	8,429	7,305	928,051	657,424
Nickel in matte exported, metallic nickel, and nickel content of oxides, salts and residues	lb.	52,959,179	96,860,130	12,610,712	17,472,980
Selenium	lb.	19,266	not available	38,532	not available
Cobalt, metallic, and metal content of oxides, salts and unseparated oxides	lb.	356,867	404,115	472,212	487,555
Bismuth	lb.	3,458	3,977	1,560	3,977
Lead, pig, and in concentrates exported	lb.	19,683	12,992	410	519
Total value in Canadian funds	$	....	....	64,981,341	88,269,080

* Output of 1933 estimated.

The report states that a revival of activity has recently been noted in the old Cobalt silver camp as result of advancing prices for silver and a keener demand for cobalt ores. During the first ten months of the year twelve properties at Cobalt and one at Elk Lake made shipments totalling 1,139 tons. The properties, six of which were operated under lease, were as follows: Beaver, Cobalt Properties, Crown Reserve, Drummond lease, Dominion Reduction Co., Foster lease, Hudson Bay lease, Mining Corp. lease, McKinley-Darragh lease, Nipissing lease, O'Brien and Timiskaming. The Miller Lake O'Brien shipped from Gowganda.

During the period the production of silver totalled 4,024,261 ounces as compared with 3,344,284 ounces in the same period of 1933. The output of cobalt, as metal, in oxide, and contained in concentrate exported totalled 404,115 pounds valued at $487,555 as against 356,867 pounds worth $472,212 during the first nine months of 1933.

Comparative figures of silver output are as follows:

Silver-Cobalt Production, Jan. 1-Sept. 30

Source		1933 Quantity	1933 Value $	1934 Quantity	1934 Value $
Silver-cobalt mines	oz.	2,238,900	780,134	2,416,657	1,088,227
Gold refining	oz.	292,520	92,741	321,100	146,648
Recovered in nickel-copper refining	oz.	812,864	294,257	1,286,504	589,219
		3,344,284	1,167,132	4,024,261	1,824,094

Movements of Mining Men

C. C. Starr, M.A., Ph.D., has been appointed to take active charge of operation at the Phillips' Arms property of Hercules Consolidated. Since taking up residence at Vancouver, Mr. Starr has been practising as a consulting engineer.

D. C. McKechnie, district engineer for Consolidated Smelters, recently paid a visit to the Trail company's White property on Lochalsh Mountain, in Michipicoten.

M. L. Pochon, chief refinery chemist for Eldorado Gold Mines, has been appointed to succeed Shirley Cragg on the Eldorado board.

Dr. J. F. Wright, geologist, has been appointed to the board of Flin Flon Mining Syndicate. Accompanied by O. B. Gwillam, mining engineer, he has left for the property at Douglas Lake to make a complete survey for the company.

Chromium M. & S. Plans Production By Dec. 15

A. R. Globe, general manager, of Chromium Mining & Smelting Corp., reports that a powerful Diesel engine tractor has been purchased and is being shipped this week to the company's property at Collins, Ontario. The tractor train will be used for the transportation of chromium ore from the mine to the rail head.

Officials of the company state that production on a steady basis is scheduled to start about December 15 and that this equipment is being sent up in readiness for commencement of operation. It is stated that nearly 1,000 tons of ore is now mined awaiting transportation.

Chromium Mining & Smelting has an authorized capitalization of 3,000,000 shares and with the placing of the 600,000 shares recently offered to the public, there are about 1,500,000 shares outstanding.

Trail Ore Receipts Total 10,534 Tons

Receipts of ore concentrates at the Trail smelter of the Consolidated Mining and Smelting Co. for the period from Nov. 16 to Nov. 21 inclusive, totalled 10,543 tons. Of this amount, 9,609 tons was received from the company's own mines. A detailed statement of receipts is given below:

Name of Mines	Tons
Arlington	78
Bell	49
Blaine	47
First Thought	276
Gold Belt	32
Golden Eagle	17
Granite	17
I.X.L.	6
Joyce, J.	1
Jumbo	28
Kilo	48
Knob Hill	54
Lone Pine	109
Rio	3
Columario (concentrates)	25
Nicola (concentrates)	33
Wilcox (concentrates)	51
	934
Company's mines	9,609
Grand total	10,543

INTER. MINING CORP. DECLARES DIVIDEND

To Pay 15 Cents Per Share — Canadian Subsidiary Formed

International Mining Corp. has declared a dividend of 15 cents per share on its capital stock payable Dec. 20, 1934, to shareholders of record Dec. 5. This is the first disbursement to be made to shareholders since May 1, 1933, when 7½ cents per share was distributed out of capital surplus.

The declaration of a dividend at this time reflects improvement in the mining industry. The 1933 report of International Mining stated that, in future, distributions would not be made to shareholders until they could be paid out of earnings. The report for the 1933 fiscal year showed a net loss of $69,139 before provision for loss realized on sale of investments.

The company has incorporated a wholly-owned subsidiary, International Mining Corporation (Canada) Ltd. to carry on its exploration activities in Canada. It is capitalized at 10,000 shares of no par value.

Delta May Make Offering Under Strict Conditions

Delta Metals, which, as was reported in last week's issue of The Financial Post, has announced its intention of reviving activity in Drury Township, Sudbury district, has been told by the Ontario Securities Commission that it will be permitted to sell stock to the extent of $20,000 providing the company, in its reorganization plans, places $18,000 of the proceeds in the treasury, to be expended under the direction of a competent engineer.

Delta which is reported to be already considering construction of a mill, was refused a license to sell stock by the former administration of the Securities Commission. In October of this year, a deputation waited on the government, and as a result the department of mines was asked to make tests on the property. Seven of the tests showed nothing, but the eighth hole revealed, it was stated, traces of nickel of commercial value. It was as a result of these findings that the commission was inclined to make the offer to the company.

Nova Scotia Gold Hopes for Power by Jan. 31

A. L. Schneider, in reporting progress to Nova Scotia Gold Mines states that after temporary delay caused by heavy rain, work on the Hydro plant of this company at Tangier, N.S., is now resumed at normal pace. In addition to the main dam, at the foot of Tangier Lake, four reservoir dams are being constructed on the upper lakes. It is estimated that over 300,000 ft. of lumber will be used in the construction of the dam and from 5 to 10 tons of iron bolts. There are between 50 and 60 men employed on the dam work and about the same number are at work getting lumber out of the woods. The company hopes to deliver power to the mill by the end of January.

ROYALITE ENTERS DRILLERS' RANKS TO OFFSET MODEL

Model No. 1 Quits Imperial Refinery for Independent Outfit

From Our Own Correspondent

CALGARY.—The Royalite oil company, long inactive, in so far as drilling is concerned in the Turner Valley field, plans to enter the ranks of drilling companies once again. For the past three years, Royalite has been content to sit back, take production from wells already drilled, and pay dividends.

Now Royalite plans to drill Royalite No. 26 as a direct offset to Model No. 1, the largest high grade crude oil producer in Canada. The location will be in legal subdivision 5 of section 23 in the north end of the field.

Recently the Model company which has been delivering its unique, (for Turner Valley) product to the Imperial refinery ceased doing so and shipped its oil to the Bell refinery, an independent concern.

The fact that the Imperial company needed oil of the type produced by Model to blend with the naphtha produced by the Royalite and other producers to make good gasoline is believed to be the reason why Imperial, through Royalite, its subsidiary, plans to make an effort to duplicate the Model well.

A Unique Well

Model No. 1 is unique in the valley. It is not strictly a naphtha well nor is it a crude oil well in the strict sense of the term. The product was defined as crude by the Imperial refinery officials but the grade was very much higher than crude produced elsewhere. When gas conservation was imposed, the Model company pleaded that its well was a crude oil well and therefore exempt from conservation regulations. A definite ruling is still awaited on this point.

The Model well has produced 150 barrels daily from a horizon only about 100 ft. deep in the limestone. The possibility that the crude producing limestone will be more deeply explored by Royalite by virtue of its new well makes the new test interesting.

Other news of interest during the past week was official announcement at the office of the Ranchmen's Co. that casing had been satisfactorily carried to the bottom of the 6,200 ft. hole, making it the longest string of casing in Canada if not the British Empire. The next step will be the removal of the water poured into the hole to the top to neutralize gas pressure while the casing was being run. Then, if crude oil is not brought to the top by the released pressure, the crude oil sand will be penetrated deeper. Installation of a control head and other precautionary equipment is taking place at the well which some oil men believe may prove to be Alberta's first crude gusher.

Race to Production

A sporting element entered into the Turner Valley situation last week as Spooner-Anaconda and Carleton Royalties entered a race to naphtha production. At the beginning of the week both of the south end wells were 200 ft. in the limestone—the producing horizon. Two days later, Carleton, drilling with faster rotary equipment was down 350 ft. in the lime while Spooner-Anaconda, drilling with standard cable tool equipment, seemed to be dropping behind in the race with only about 220 ft. of limestone penetrated. Barring accidents, Carleton Royalties should strike production first, although Spooner-Anaconda may be higher on structure.

Both the Spooner and Anaconda companies are interested in the success of the Spooner-Anaconda well while Carleton Royalties is being financed by Calgary Brokers, which has the completion of the Century Royalties and Sterling Royalties producers to its credit.

Inland Petroleum, a company which has been operating in the Red Coulee area in Montana, has secured a block of acreage on the Watson structure, north of Lundbreck, and a well is to be drilled, it is announced. At the present time Mar-Jon 3, Raven No. 1, and Mar-Jon-Maxmount are being drilled on that structure. A fourth well, Source Rock, is standing at a depth of 60 ft.

Turner Valley oil operators are still bitterly protesting the announced intention of the provincial government to increase the government royalty on Crown lands from five to ten per cent on January 1, 1935. A brief is being prepared to be presented to Hon. Hugh Allen, minister of lands and mines. Part of the brief concerns the financial statement of what is said to be a carefully managed company showing an operating loss despite production of naphtha.

Following is the situation at active Southern Alberta wells:

Turner Valley

Carleton Royalties, Spooner-Anaconda and Director Royalties, drilling in the limestone; Pacalta Royalties, waiting for special tool to permit drilling being resumed in the limestone; Livingstone, drilling up old tool lost in hole and to resume soon from 2,890 ft.; Publix, replacing equipment damaged by fire; New McDougall-Segur No. 7, testing small crude production; British Dominion No. 4, drilling from 4,000 ft.; Merland No. 2, drilling from 1,870 ft.; Renfrew Royalties, drilling from 3,600 ft.; Union Freehold, drilling cement at 4,680 ft.

Cardston—Franco Oils, drilling 260 ft.

Del Bonita—Terminal No. 1, preparing to drill.

Aldersyde-Ranchmen's, preparing to drill if test unsatisfactory.

Highwood - Sinclair - Banner (Canadian Royalties)—casing at 625 ft.

Red Coulee—Vanalta No. 6, drilling, 2,300 ft.

Waterton Lakes—Oil City Royalties, down 2,136 ft.

Morning Star Seeks Contract Rescission

A writ has been filed in the Supreme Court of British Columbia by Morning Star (Fairview) Gold Mines seeking return of $15,000 and an order setting aside a deed for the sale of five mineral claims which were acquired from Fairview Mining Co. After effecting an agreement with the Fairview Mining Co., which is a holding company for the Guggenheim interests, Morning Star dewatered and examined the property. They are now asking that the contract be rescinded.

Mining Stock Quotations

Week Ending November 26.

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close Nov. 19 (or last)	High for week	Low for week	Close Nov. 26
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL STOCKS

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close Nov. 19 (or last)	High for week	Low for week	Close Nov. 26
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1	.47	.25	McLeod	745	.36	.38	.35	.38
No	.22	.10	Mercury	5,700	.12½	.13	.11	.13
No	.22	.10	Mill City Pete	......	.10½	.....	.....	.....
No	.18	.04½	Okalta	500	.05	.04½	.04½	.04½
100	30.00	18.00	Do., pref	......	30.00	.....	.....	.....
No	.17	.04½	Pacalta Oil	5,500	.05	.07½	.06	.07½
1	.75	.14	Ranchmen's	5,300	.58	.75	.60	.71
No	.04	.02½	Richfield	......	.02½	.....	.....	.....
1	.42	.20	Spooner	500	.25	.30	.30	.30
No	.11½	.03½	United	300	.04	.03½	.03½	.03½
No	.50	.06	Vanalta	100	.06½	.06	.06	.06
1	.20	.10	Vulcan	......	.14	.....	.....	.....
1	.35	.07½	Wellington Oil	......	.08	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Acme Gas	2c.	.....	McIntyre	$2	5.03
Ajax Oil	8c.	8.00	McKinley Mines†	2½c.	.....
Anglo-Huronian†	40c.	.....	Mercury Oils‡	4c.	.....
Bralorne	60c+20c.	6.25	Merland Oils‡	5c.	.....
Buff. Ankerite	10c.	3.70	Model Oils	3c.	.....
Bulolo Gold‡	90c.	.....	Nipissing	12½c.	.....
Coast Brew	92c.	8.10	Noranda‡	$1	.....
Coniagas‡	12½c.	.....	Nor. Canada‡	2c.	.....
Cons. Smelters	1.00	.....	Petrol Oil‡	3c.	.....
Dome Mines	$2+$1.50	10.00	Premier	12c.	9.67
Falconbridge	10c.	.....	Pioneer, B.C.	80c.	7.01
Hollinger	65c.+65c.	7.20	Reno	3c.	.....
Howe Sound	$3	.....	Royalite	50c.	3.17
Howey Gold	10c.	.....	San Antonio†	5c.	3.17
Int. Coal & Coke‡	1c.	.....	Siscoe	12⅗c.	6.80
Inter. Mining	15c.	.....	So. Amer. Gold	10c.	.....
Int. Nickel c	15c.	.....	Sylvanite	20c.	8.92
Kirk. Lake†	3c.	5.45	Teck-Hughes	40c.	10.19
Lake Shore	$2+$1	5.97	Toburn	8c.	.....
Macassa†‡	5c.	2.19	Wright-Har.	40+20c.	7.59

‡Interim. †Initial.

VANCOUVER STOCK EXCHANGE
(Transactions for Week to November 23.)

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close Nov. 17 (or last)	High for week	Low for week	Close Nov. 23
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1	1.25	.90	B. C. Silver	......	1.00	.....	.....	.....
50c	.20	.08	Butte I.X.L.	......	.09	.....	.....	.....
50c	.24	.05	Canadian Rand	9,400	.06	.06	.05	.05
1	2.90	1.00	Cariboo Gold	10,515	1.15	1.36	1.10	1.36
No	12.60	8.75	Coast Breweries	420	11.25	11.50	11.25	12.00
1	.51	.18	Congress Gold	750	.25	.27	.24	.25
25c	.02	.00½	Cork Province	......	.00½	.....	.....	.....
1	.08	.05	Cotton Belt	......	.05	.....	.....	.....
1	.06	.01½	Dalhousie Mines	......	.01½	.....	.....	.....
No	2.07	.25	Dentonia	58,850	.43	.49	.38	.47
No	.07½	.01	Dictator	1,000	.03	.01	.01	.01

Unlisted Mining Stocks

November 27, 1934

	Bid	Asked		Bid	Asked
Afton	.18	.20	La Roche	..	.13
Ardeen	.19	.21	Lafayette L. Lac	.03	.04
Arntfield Gold	..	.62	Long Lac Lagoon	.09	.11
Arntfield Synd.	.60	..	Lamaque Gold	1.00	1.10
Atnel mines	.25	.28	Lake Caswell	.39	.44
Bailor Gold	.02	.03	MacFarlane L. Lac	.04	.06
Bankfield Gold	.43	.45	MacL. Cockshutt	.12	.13
Bathurst	.03	.04	Magnet Lake	.10	.12
Big Long Lac	.07	.08½	Marbuan	.55	.60
Bur-Ley Long Lac	..	.24	Matachewan Can.	.15	.15
Bidgood Cons.	.01	.02	Metals Devel.	.03	.04
Brennan Kenty	..	.40	Murwood	..	.20
Can. Pandora	.11½	.13	Mosher Gold	.01½	.03
Canusa Mining	.05	.06	Normetal	..	.28
Casey Summit	..	.10	Normont	..	.09
Central L. Lac	..	13.00	North Shores	.09	.11
Cent. Porc.	.26	.30	Oklend	.25	.27
Chromium M. & Smelt.	.50	.55	Payore Mines	.32	.35
Cochenour Will.	90.00	100.00	Pontiac Rouyn	.25	.30
Columario	.12	.14	Queen Lebel	.08	.11
Continental Kirk.	..	.05	Red L. Goldshore	.11	.14
Crown Reserve	.02½	.03½	Rice Lake	.05½	.06½
Cuniptau	.24	.26	Sakoose	..	.25
Dunlop Cons.	.01½	.02	Scullers Gold	12.00	15.00
El Bonanza	.11	.12½	Shawkey	.23	.26
Forty-Four Gold	11.25	12.00	Sigma	..	2.50
Goldside	.13	.14½	Smith Cobalt	..	.12
Gold Eagle	..	.28	Smelter Gold	.13½	.14½
Gr. Bear Lake M.	.16	.18	Springer Sturgeon	..	.12
Gabrielle	.46	.52	Sturgeon River	..	5.00
Grierson Stur.	.21	.25	Tashota Goldfield	.35	.42
Hardrock Un.	20.00	35.00	Thom.-Cadillac	.02½	.03½
Hardrock	.26	.29	Tiblemont Island	.48	.53
Hislop	..	.20	Toburn	1.20	1.25
Herbin Lake	16.00	19.00	Vanguard L. Lac	.25	.28
Hudson Pat.	.14½	.16	Wendigo	..	.61
Johnson Nip	.08	.10	Wells L. Lac	.10	.12
Karl Springer	..	2.00	West Red Lake	..	.15
Kirk. Gold Belt	..	.14	Wingold	.17	.19
Keyroc Gold	..	.07	Young David	..	.19
			Ymir Y. Gold	.35½	.38

Source of quotations on application. Not guaranteed.

Winnipeg Stock Exchange

(Transactions from Nov. 17 to Nov. 21)

Div. rate in $	yield in %		Sales	High for period	Low for period	Close Nov. 21
..	..	Gold Lake	1,000	.40	.40	.40
..	..	Gabrielle	100	.53	.53	.53
..	..	Kingfisher	400	.14	.13	.14
..	..	Island Lake	600	.05	.04	.05
..	..	Oxford Lake	200	2.75	2.75	2.75
..	..	Rice Lake Units	12	5.00	5.00	5.00
..	..	Shawkey	500	.30	.30	.30
..	..	Vanson Manitoba	1,000	.27	.26	.27
1	..	United Grain Gr.	4	11.00	11.00	11.00
..	..	West. Breweries	20	1.75	1.75	1.75
..	..	Wallace Lake	500	.05	.05	.05

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Pelissiers, pref.	..	20
Beaver Lumber, c.	3	3½	Sov. Life, 25% pd.	..	14
Beaver Lumber pfd.	..	63	Traders' Bldg.	60	..
Canadian Fire	58	..	West. Breweries	1½	2
Great West Life	4.00	..	Can. Amer. Tr. sh.	2.45	2.70
Home Investment	20	..	Can. Inv. Fund	..	3.40
Monarch Life 10% pd.	18	..	Fundamental Ser. A	4.00	4.50
Northern Trust	..	15	Fundamental Ser. B	3.75	..
Pelissiers, com.	.25	..	Grouped Inc. shs.	..	3.85

Listed Bond Quotations

Week Ending November 26, 1934

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1934 High	Range 1934 Low
Mtl. L.H. & P. debs.	3	1939	3.48	...	48½	47½	48½	43
Mtl. Trams	5	1941	5.25	...	98½	...	101½	97½
Conv. Loan	4½	1958	3.99	...	107.90	...	107.90	107.05

Kootenay Belle Mill Ready for Production

From the beginning of the current fiscal period on March 1 to the end of October, the Kootenay Belle Gold Mines shipped a total of 611 tons of ore with a content of 1,334 ounces of gold and 669 ounces of silver, the company reports. At the average figure quoted by the Trail smelter for final settlement, including premiums, the value of the gold content was $42,400. After deducting all smelter charges and freight charges the company received the sum of $37,376.

The company's new 60-ton mill which was recently completed is being tuned up for production. Initial milling rate will be 35 tons daily.

Apple Export

Exports of apples from Canada during October totalled 488,312 barrels. Of these, 210,209 barrels were exported from Halifax; 82,009 barrels from Port Williams; and 145,879 barrels from Montreal.

MAPS OF MINING AREAS

We have prepared maps of the following districts showing the location of the more important properties.

We shall be glad to send copies of those in which you are interested. Please mark with an X.

	STURGEON RIVER		TEMAGAMI
	RICE LAKE		KIRKLAND LAKE
	GOD'S LAKE		RED LAKE
	SISCOE LAMAQUE		CROW RIVER
	PORCUPINE		LITTLE LONG LAC

Name ....

Address ....

Branches: BRANTFORD HAMILTON ST. CATHARINES

DRAPER DOBIE & CO. Members The Toronto Stock Exchange. 330 Bay St., Toronto. ADelaide 9171.

F.P.

GRANBY PUTS METAL VALUE AT $6,109,000

Cash on Hand and Accounts Receivable Total $116,000

Granby Consolidated Mining, Smelting and Power Co. in a statement to stockholders reports that inventory of ores and metals on hand as at Oct. 31 has a value of approximately $6,109,000 at current market prices. Cash on hand and accounts receivable as at that date amounted to about $116,000, giving total current assets of $6,225,000 against which are outstanding loans and accounts payable of $1,545,000. The excess of current assets over current liabilities totals $4,680,000, equivalent to $10.40 per share.

Inventory of metals as reported by the official statement consisted of 99,000,000 pounds of copper, 650,000 ounces of silver and 6,700 ounces of gold. In estimating the current valuation copper was priced at 6.65 cents per pound, silver at 54 cents per ounce and gold at $34 per ounce.

A condensed consolidated statement of assets and liabilities, as of Oct. 31, 1934, follows:

Balance Sheet

Assets

	1934
Cash	$91,400
Accounts receivable	25,343
Inventory of ores and metals on hand, less smelting, refining and marketing charges	7,353,724
Materials, supplies and merchandise (book value)	645,135
Fixed assets (less depreciation and depletion)	3,469,868
Shs. in other cos. (book value)	491,180
Deferred and prepaid charges	15,080
Total	$12,091,630

Liabilities

Notes payable, accrued by pledge of metals included in inventory	$1,375,000
Accounts payable	370,942
Miscellaneous reserves	35,795
Net assets applicable to the 450,000.65 shares outstanding, based on book values of assets	10,509,893
Total	$12,091,630

The statement reads in part as follows: "Of course it must be apparent to everyone that the company cannot advise with respect to the future price of copper nor, therefore, as to the ultimate liquidating value of the company's inventories. You were informed in a former circular letter that practically all our copper must be sold outside the U.S.A.

"It is impossible to determine to what extent the values stated for materials, supplies, merchandise and fixed assets in the above statement will be diminished in the event of termination of operations. The figures in the above statement are expressed in Canadian dollars with the exception that no account has been taken of the exchange premium, if any, on certain current liabilities and on refining and marketing charges payable in United States currency."

Granby Consolidated recently called a meeting of shareholders for Dec. 12 to vote upon empowering the directors to shut down the Anyox properties, the only mine the company now has in operation.

Toronto Stock Exchange Announces Stock Options

The Toronto Stock Exchange has announced that Sudbury Mines has filed copies of options entered into in respect to 550,000 treasury shares. The options are on the following basis: 100,000 shares at six cents per share until Jan. 2, 1935; 50,000 shares at six cents per share until Jan. 17, 1935; 50,000 shares at seven cents per share until Feb. 1, 1935; 50,000 shares at seven cents per share until Feb. 15, 1935; 50,000 shares at eight cents per share until March 1, 1935; 50,000 shares at eight cents per share until March 15, 1935; 50,000 shares at nine cents per share until April 1, 1935; 50,000 shares at nine cents per share until April 15, 1935; 50,000 shares at 10 cents per share until May 1, 1935; 50,000 shares at 10 cents per share until May 15, 1935.

Notice has also been given that McWatters Gold Mines has filed an option on 5,000 shares at 40 cents per share until May 15, 1935.

Outstanding options upon treasury shares of Astoria Rouyn Mines and Lee Gold Mines have been terminated by default.

Read-Authier Charges Stock Rumor Victim

Charging that the stock of Read-Authier Mines has been the victim of "attacks in the form of rumors and insinuations evidently spread among the public with a view to discouraging the shareholders," Hector Authier, president of the company has issued a report to shareholders on the company's conditions in which it is stated that 1,730,661 shares of the company are outstanding and the remaining 1,269,339 shares held in trust, not subject to any option and free from all encumbrances.

Assets of the company are:

	Shares
Lamaque Gold Mines	700,000
Sigma Mines	1,135,555
Nu Sigma Gold Syndicate	3,900
Dominion of Canada bonds	10,000
In bank and on deposit with General Trust of Canada	90,000

In addition to these, the company holds an option on certain veins in Malartic Twp. it is explained that in August of this year, the company sold 39,445 shares of Sigma Mines for $88,751. This left them with 1,135,555 shares in this company.

Mining Concerns Newly Formed

Formed

Emberton Prospecting Syndicate, Ltd.—Que. Incorp., Nov. 5; H.O., Sherbrooke, P.Q.; Author. capit., $20,000, par $1.

Northern Quebec Consolidated Gold Mines—Que. Incorp., Oct. 24; H.O., Montreal; Author. capit., $4,000,000, par $1.

Richmond Development Co.—Ont. Incorp., Oct. 25; H.O., Toronto; Author. capit., $40,000, par $1.

Rickard-Ramore Gold Mines—Ont. Incorp., Oct. 29; H.O., Toronto; Author. capit., $3,000,000, par $1.

Smith-Tiblemont Ltd.—Dom. Incorp., Nov. 7; H.O., Montreal; Author. capit., 300,000 shs., n.p.v.

Tamarac Gold Mining Co.—Ont. Incorp., Oct. 25; H.O. Trafalgar Twp., Ont.; Author. capit., $150,000, par $1.

ST. ANTHONY OUTPUT 3,730 TONS IN OCTOBER

Average for Three Months .265 Ounces Gold Per Ton

Progress report issued by St. Anthony Gold Mines shows that during October, 3,730 tons of ore were milled with an average for August, September, and October of .265 oz. of gold per ton. The ore tonnage milled during the three months is as follows:

	Tons
August	3,529
September	3,765
October	3,730
Total	11,024

To Work Underground

The report states that 85 per cent of the ore milled was drawn from the surface tailings and ore dump which were handled without any mining cost. The balance of the ore milled came from the mine. The ore drawn from the mine came from the 100 and 150-ft. level, north and south of the shaft. It is stated that in future the majority of the ore milled will be drawn from the underground work so that millheads should show a substantial increase in value over the surface ore dump. The report states that a new electrical pump has been installed on the 350 ft. level and that an electric hoist has been installed at the head of the winze on the 150-ft. level.

An additional new bunk house to accommodate 160 men has also been built. The report states that ore coming from the underground during the first week in November is of higher grade, averaging .834 oz. of gold per ton.

MacLeod-Cockshutt Action Depends on North Zone

Fred G. MacLeod, president of MacLeod-Cockshutt Gold Mines who recently announced operations would be suspended Nov. 30 if more encouraging results were not obtained, has issued the following statement:

"The directors observe that the official notice has been misinterpreted. The decision was made to close down underground operations on November 1, unless results obtained before that warranted their continuance, and the decision was promptly so announced.

"It was never stated that operations were to be suspended but only that operations in this section would be suspended at the end of the month if conditions did not improve. The results have been disappointing in this section of the work and it appears that the interests of the company would be served best by conserving the resources for exploration and development in other portions of the property.

"Work has been pushed on double shifts in the north zone in order to get as much information as possible in this section before November 30. Word received from the property indicated that this north development shows more profit. The final decision will rest, as declared in our notice, on the results obtained from this work.

"The work in the south zone has continued to yield negative results."

Ottawa Maps Issued On Sturgeon, Long Lac

The Department of Mines at Ottawa announces the publication of two geological map sheets, one of the Little Long Lac area and the other of the adjoining Sturgeon River area. In so far as recent developments are concerned, these maps are the first official geological maps of the area. Copies of the two maps may be obtained from the Director, Bureau of Economic Geology, Department of Mines, Ottawa.

Silver Has 4 Functions of Major Importance

Silver has four chief functions. It is used in arts and industries as a commodity of the metal trade. In China, silver is a standard of value.

Silver is also used as an international medium of exchange for settlement of trade balances, as with India and China. Another major use of silver is as subsidiary money in countries where the metal is not a standard of value.

MAKE BRAVE TRY TO AVOID CHECK AT ISLAND LAKE

Vital Bit of Machinery Causes Temporary Shutdown

From Our Own Correspondent

WINNIPEG.—Island Lake Gold Mines, which has been a consistent shipper for some months from its Island Lake plant, is closed down temporarily.

A vital piece of machinery broke and an urgent message was radioed to Winnipeg for a plane. Although most of the lakes between Lac du Bonnet and Island Lake were icebound and despite the fact there was only a small piece of open water on Island Lake, Jack Moar, one of the flying owners of "Wings," set out on Monday. He returned the same day with the broken piece of machinery, bringing with him J. Cunningham Dunlop, manager of the property.

A truck met the plane at Lac du Bonnet and the broken shaft was immediately taken to a foundry where a crew of men worked all night and all next day preparing it for re-shipment. By the time it was completed, however, the weather had clamped down and a flight with floats could not be undertaken. However, planes are now being equipped for landing on ice and it will likely be returned to the plant within a day or two.

Ship to Flin Flon

The operation at Island Lake is an interesting one. Mr. Cunningham Dunlop explains the mill contains a flotation unit, an amalgam recovery unit in addition to cyanidation. At present the concentrates from the flotation unit are being held for further treatment at a later date. The amalgam plant returns bullion and also a sand concentrate, the latter running from six to 14 ounces to the ton gold and the cyanide plant is not being operated at all. With the last boat from Norway House 55 tons of the sand concentrate were shipped to the Hudson Bay Mining & Smelting Co. at Flin Flon, while the bullion is shipped directly to the mint.

The cyanide plant will not be put in service until winter haulage conditions permit taking in the necessary chemicals, as to take them in by plane would make the operation too costly to be profitable.

There are strong rumors that Ventures, with a considerable interest in the property, plan much larger developments, though up to the present apparently no satisfactory solution as to the faulting which cut off the ore body has been found.

Duparquet Ore Body Believed 736 Ft. Long

The recently discovered ore body on the property of Duparquet Mining Co. has been shown to be over 736 ft. in length, J. McWilliam, secretary of the company, informs The Financial Post. The drill holes now show that commercial ore extends over a width of 60 ft. and down to the 150 ft. level, the officials state. The discovery made by surface trenching and substantiated by drilling was announced in a recent issue of The Financial Post.

NORTHERN CANADA MINING CORPORATION, LIMITED
Invests in Canadian Mines and Mining Properties
J. B. TYRRELL,
President and Managing Director,
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TORONTO, CANADA

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Ju. 1167

Death Separates Pat Daly From His Beloved Whistle

Man Who Once Worked Premier Single-handed Dies Suddenly in Montreal

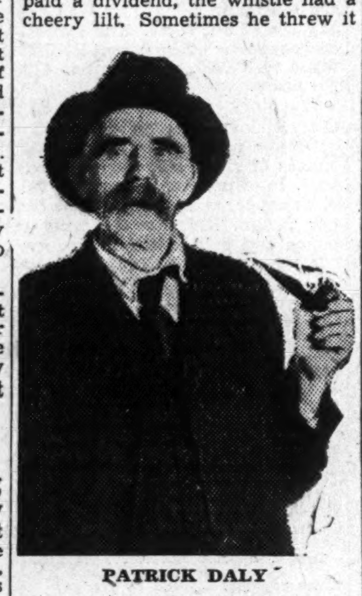
Death, the all powerful, has done what no human agency could do—parted Pat Daly and his whistle.

"Scotty" Daly (he was Irish), one of the most gallant figures in western mining history, the man who at one time held the lease, and worked single handed, the famed Premier mine, dropped dead in a Montreal hotel recently.

Daly's name is linked with that of O. B. Bush in the early history of the Premier, the mine which has paid nearly $18,000,000 in dividends. As head of the struggling Salmon-Bear River Mining Co., Bush actually made the deal which gave this richest of mines to the world, but it was the lovable, hard-talking, sentimental Irishman, Pat Daly, that took the trip to Spokane, and persuaded R. K. Neill of that city to visit the property and actually work it. It was Pat Daly, who, through all the years of failure and disappointment prior to this deal, kept his faith in the property, which, next to his whistle, was one of the dearest things in his life.

"Me Whistle Me Company"

And the part this cheap tin whistle played in Pat's life cannot be overstressed. It accompanied him wherever he went. "Me whistle is me company," Pat used to say, and this was literally true. He played it in hotel rooms, on the trail, in the company of others. If he were blue, the theme was lugubrious. If he were glad, as, for instance, when Premier paid a dividend, the whistle had a cheery lilt. Sometimes he threw it



PATRICK DALY

away in disgust, but always he retrieved it. Misguided humorists would sometimes hide it, but so real and potent was Pat's grief, that they always revealed the hiding-place. Whether he, after the manner of the great god Pan, lured Neill by means of its plaintive note to examine his pet property in the Portland Canal area, is not recorded. Certainly, something about the tall gaunt figure, or his tall gaunt story must have appealed to Neill, because the property which he took over and worked with such success was not very highly regarded in those days.

Prior to the deal with Neill, the property had a far from distinguished record. A prospecting syndicate, headed by Bush, staked the Cascade Falls group in 1910. Surface assays were encouraging, and Bush acquired neighboring claims. The Salmon-Bear River Mining Co. was formed. Simultaneously however, with the formation of the new company, the boom in Portland Canal Mining shares flattened out, and Bush was chagrined to find that with high assays, he could not raise enough money to work the property. When the spring of 1911 came, and the company had not been able to acquire enough capital, Bush looked around for a good man to work it. Pat Daly was recommended, and hired for $2.50 cash, and $2.50 in shares per day. With a crew of men, Pat worked the property, until the company was forced to suspend operations for lack of money.

Then a New York group became interested, did some work, and missed by only a few feet, striking the sensational ore which has served Premier all these years with such profitable results.

When the New York group threw in the sponge, Pat was heartbroken. He had managed to keep his job with all the managers of the property, but it was not so much losing his job he cared about. It was the set-back which the cessation of work by the New Yorkers had given the mine that hurt.

Even his whistle could not cheer him at this time. The story goes that he was sitting on the porch of the King Edward Hotel at Stewart, actually weeping, when someone suggested if he felt so badly about it, he should work the property himself. The remark was passed in jest, but Pat took it seriously. He approached Bush, who gave him a lease on the mine. For long months, Pat single-jacked with hammer and drill and took a few tons of ore from the mine. He had no money to get the ore down the hill, let alone to ship it. But his work was not in vain. He had continued the work of the New Yorkers to the point where high-grade was beginning to be evident, and he had the ore out in the open for all doubters to see.

Neill Interested

He had also bolstered his own faith, and that of Bush, in the property. Bush had a theory as to the ore occurrences in the mine, and his theory was substantiated by Daly's work. So that when Daly found himself in Spokane, it was partly his obvious sincerity, and partly his vivid descriptions of the scenery to be found in the area, that induced Neill to visit the district. Neill came, saw, and was conquered. He interested A. B. Trites, W. R. Wilson, and R. W. Wood, of Fernie, all of whom put up a limited amount of money. Their efforts were crowned with almost instantaneous results, results which are now mining history, and beyond the limits of a story on Pat Daly.

Mining men are not maudlin, nor given to sentimental ideas. But probably in the hearts of all Pat's associates is the hope that somewhere in the heavenly orchestra, a niche may be found for Pat and his tin whistle, and that when the thin strains are heard above the harps, the sound will have a cheery lilt.

Hislop, Guibord Staking Activity Still Continues

From Our Own Correspondent

SUDBURY.—While staking operations have slowed down considerably in the Sturgeon River field, with the approach of winter weather, marked activity is still noted in Guibord and Hislop townships, north of Ramore on the T. & N. O. Railway. The provincial government mining office at North Bay reports that it is receiving daily a large number of records from that district.

Close to the railway the two townships are easy of access, and since the reports of encouraging results secured by Hollinger Gold Mines operations, prospectors have been trekking to the region in large numbers.

Some staking is also being done in Melba township, north of Kirkland Lake.

STANDARD GOLD MAY BE SUBJECT OF B.C. ENQUIRY

Directors Express Readiness to Co-operate if Probe Launched

From Our Own Correspondent

VANCOUVER.—Having already ordered an enquiry into the affairs of the Wayside mines, the British Columbia government is now being urged to undertake a similar investigation of Standard Gold Mines, although Attorney-General Gordon Sloan declares that no action will be taken until charges are submitted in writing by the dissatisfied shareholders.

Affairs of Standard Gold Mines have been in considerable turmoil for several weeks. The last meeting of the company was a stormy one, certain shareholders alleging mismanagement and general dissatisfaction with the handling of the company's business. It was intimated that the government would be asked to initiate an enquiry under the Securities Act. As soon as the new directorate was elected a resolution was passed, pledging co-operation to the government in the event of an enquiry being requested.

Meanwhile operations at the mine are held up, awaiting additional capital. Last November the property was examined by Sydney H. Davis, Montreal mining engineer, who reported that it possessed many features that are characteristic of the leading mines of Bridge River. Referring to No. 2 vein, he stated: "The entire area of 72 ft. in width presents a most impressive structure and one that is characteristic of a few of the largest mines."

The Story of a Mine. 5

Those Ore Reserves

Reserves Present Most Frequently Changing Element In Mines Story—Victim of Myriad Forces

The story of a mine is vividly illustrated with adventure, speculation, uncertainty or rugged perseverance according to your temperament.

While the story is conveniently described in terms of the various stages, prospecting, surface work, diamond drilling and underground work, none of these stages are necessarily abandoned as the mine grows to maturity. This has been well illustrated in the recent history of one of Canada's major gold producers, which, having passed the peak of growth on its original property, is now at the point of bringing a new prospect into production. But even new property is not necessary to our picture. All stages of work are sometimes carried on by mines on a property which has reached the stage of continuous production.

At any moment in its producing life, the mine has, usually, only a limited quantity of "ore reserves," consisting of "broken ore" or ore that has been blasted away from its lode and "ore-in place" which consists of ore which has been fairly thoroughly "opened up" by raises, drifts, etc., its mineral content assayed and its extent mapped out. This type of ore is generally classified as "positive" ore reserves. There are two other classes sometimes referred to. "Probable ore" is ore which from the geology of the property, and not making allowances for breaks or intrusions, can with a fair degree of certainty, be counted on. "Potential ore" is an even vaguer term, and cannot be seriously regarded as a factor in estimating the merit of a property. A prospectus or report issued by a sincere management, should make specific mention as to which class of ore is being referred to.

Reserves May Grow

While ore is being constantly extracted from these reserves, their volume, especially in the younger mines, may continue to grow from the constant exploration and development activities carried on with the mining. In most cases, the mine has enough "developed" ore in sight to keep its mill in production for a period varying from eighteen months to three years. The speculative element in the potential earning power of the mine, after this period increases rapidly.

The ore is sampled as regularly as it is blasted and mucked away, usually by cutting away a "channel sample," a narrow, shallow strip right across the face of the ore body. The paystreak, a narrow, rich section, and visible gold are usually eliminated in order to give a clearer picture of the general run of the body. The assayer breaks the ore down both physically and chemically to extract its metal content and measure its ratio to the volume of rock containing it.

Each of these samples only relates to the particular section of rock from which it was chipped. Some samples are more thorough and are related to the particular width from which they were obtained, the true value across the full width of the vein being determined from the average of the results of a series of fractioned samples.

Diamond drill cores are expensive to obtain so sections are split from the cylindrical rock before they are treated to the same process. Other samples are obtained from the surface exploration of undeveloped areas, mine cars and dumps and they, in turn, are valid relatively to the way in which they are taken. A few "Grab" or random samples cannot give an adequate description of the general content. As mining or development proceeds, the continually growing record of values in relation to the sections of the mines from which they were obtained, gives an increasingly more complete picture of the ore conditions.

Constantly Changing

And so the life of a mine is a constantly changing one, ore being taken from known reserves with a certain volume being supplied to the mill from the development of new areas. New reserves are opened and their value and volume determined. Diamond drills, piercing the unknown sections, are the mines antennae, feeling for the extensions of the known bodies, searching for new, and generally aiding in the direction of activities.

The wide fluctuations in prices of mineral products in recent years have accentuated the rate of change. New reserves appear with rising of prices in long-developed sections and in old dumps previously ignored because their value was too low for profitable mining. New mines grow up sometimes from the waste and tailings of the old and from rock which the prospector passed up in former times. And the order is reversed when prices are falling. The story becomes much more complex when mines producing several metals are considered. The prices of the different products, varying at different rates and in different directions, with varying contents and mining costs in separate sections of the mine, and milling and marketing costs changing with the volume and content of the output, present a picture almost too baffling for the layman.

A brief sketche such as this is too inadequate to deal with this problem or with the one, equally complex, of the factors affecting underground costs, which are always changing, reacting to new techniques and ore conditions. The dip of the ore, the hardness of the rock, the width of the vein, the continuity of the ore, depths, etc., all play important and quickly evolving roles in the general scheme.

Drill at Four Nations Cuts 30 Feet of Ore

E. M. Williamson, secretary of Four Nations Consolidated Gold Mines, reports that the diamond drilling on the 500 ft. level at the property has cut 30 ft. of mineralization which is believed to be the downward extension of the Bonanza dyke. Prior to this, work was concentrated on driving a long crosscut from the shaft for a distance of 1,400 ft.

RICE LAKE GOLD AWAITS REPORT FROM DRILLING

Report Summer's Work Lacks Data as to Values

From Our Own Correspondent

WINNIPEG.—Rice Lake Gold Mines, with its summer programme of drilling completed has discontinued work for the present. Within the week the company's engineers will be supplied with full data obtained from the season's work and will then recommend as to the best method of procedure.

Although no official statement has been issued it is understood drilling, while indicating plenty of formation, has not been sufficiently informative as to values. There is a strong probability the company will drill this winter on Independence Lake, on the shore of which lake there are excellent showings. It is also understood officials of the company regard the drilling programme as having been necessarily of a rather sketchy nature, owing to the large acreage held, more than 1,600 acres. It has also consisted largely of shallow holes. On the Independence vein more drilling is also considered necessary to determine more definitely the source of the rich surface deposits of ore which brought this vein into the spotlight. Rice Lake Gold Mines has more than $70,000 in its treasury, which should be ample to complete a very thorough exploration of the property.

Reeves-McDonald Calls Shareholders Meeting

Reeves-McDonald Mines has issued its report for the year ended February 28, 1934, and notice has been given that the annual meeting of shareholders will be held in Vancouver on Dec. 8. During the year the company has been inactive, only maintenance work being done on its property.

Current assets are shown at $169 as compared with current liabilities of $32. Development account increased from $268,434 at the end of the previous year to $283,039. This includes holding expenses for the 1934 fiscal year of $3,060. The loan from the parent company, Pend Oreille Mines and Metals, is shown at $178,776 and interest on the loan at $11,545.

ARE WE FOOLING WITH FRAUD?

(Continued from page 11)

to go in the wrong direction. It is the right kind of security law.

Even a fraud law, if administered competently and zealously, might effect a great improvement.

The form of the act itself is important. The character of administration is of still greater importance. An administrator, no matter how able and learned he may be in other directions, who is not thoroughly grounded in all phases of the securities business, cannot make a success of operating a fraud law save as a pure and simple police vehicle. And the same administrator would be all at sea if a perfectly good regulatory measure were put before him and he was told to go ahead and run it.

If the provinces are going to protect the "man on the back lot" they have to relegate the punitive part of their present fraud laws to their proper sphere of activity. If a statute passed to protect investors can, in practical operation, afford partial protection only to about twenty security buyers out of one hundred and can do nothing to abate the loss of the remaining eighty, clearly something should be done about it.

Doesn't Go Far Enough

Fraud laws are not to be condemned as documents of no worth. Quite the reverse. Many a knavish broker, promoter or financial salesman has been brought to book through their operation. In Ontario and elsewhere, many registrations of brokers or salesmen have been cancelled for violation of the act, and often where no legal conviction for fraud could have been obtained in a court. Monetary plottings against the public have been dealt with before they assumed more dangerous proportions. Some action has been taken to sequestrate vendor shares. House-to-house peddling of securities has been regulated. High pressure salesmen have been deported. An attack has been made on improper use of the telephone to sell securities. The fraud law does all this, and more.

But even yet it does not go far enough.

The first step toward remedy is by the adoption of the principle that the condition is financial and not legal, and that the legal mind is not best fitted to deal with it. Second, is an acceptance of a demonstrable fact, that criminal frauds do not cause the major part of our annual securities loss, and that, as the punitive method has largely failed, it should in large part give way to the preventive. I am not advocating that our fraud laws should be scrapped. What I am suggesting is that the regulatory principle be introduced, not only into the acts and then into their administration, but in a dozen other directions where it is most needed and can do the best work.

Stop Frauds at Source

The method to be employed is to stop all frauds at the source as far as that process is reasonable and possible.

A promoter can put a company together in such a way that it will pass any inspection at present given it. The company will be regularly formed. The processes provided for by the companies acts will be duly observed. When the last touch has been given to the organization and it is reduced to paper, an individual deficient in the ability to analyze such matters might not detect unsoundness. On the other hand, another person who has seen hundreds and perhaps thousands of company formations reared by promoters ignorant of the ethics of the game, will find evidence after evidence that he is looking at a topsy-turvy contrivance which is bound to fall.

There can be no cure of the underlying situation until those brokers, promoters and financial salesmen engaged in their manufacturing or selling securities of companies which are unsoundly planned, unsoundly built, unsoundly financed and to be unsoundly operated, are asked to step out of the field entirely. You cannot weed them out by charging them with contriving or operating a fraud under the terms of a fraud law because what they exhibit is not a fraud legally.

Use Companies Acts

The view might be entertained that if all fraudulent and unsound company promotions can attain to corporate entity only by securing incorporation and by obtaining charter under a companies act, or procuring sanction to operate, that the departments of the provincial secretaries in the province, or the secretary of state at Ottawa, might be the first trap in a process to divert the fraudulent and unsound from general circulation. There is merit in this view but our companies acts are not strong enough yet to protect the public. The departments in question are engaged in the business of supplying charters and letters patent to applicants and they take in large fees for so doing. To reorganize the administration of the companies acts, and to imbue the administrators of those acts with the sense that they are there to safeguard shareholders of companies and share buyers, is important.

Regulation of Selling

It might be that a correlation could be established between those who charter companies and those who administer securities laws. If the Dominion and the provinces embraced the ideal that they were quite willing to forego income derived from incorporation of fraudulent and unsound companies, in order to protect their citizens from spoliation through the later activities of the undesirable concerns; in that event the analysis and the sifting would have to begin in the companies branch.

The next step, though, must always be regulation of securities selling. Any securities act known as a regulatory measure is a preventive measure. It is not enough to close the door after the steed is gone. The regulatory act is compiled for the purpose of keeping a territorial door closed before any fraud, financial or otherwise, can get through. The Province of New Brunswick is administering a measure called "An Act Respecting the Sale of Securities." In that province a person desiring to sell securities therein must file specified documents with the Board of Commissioners of Public Utilities. The applicant must show the plan upon which the company proposes to transact business. He must file a copy of all contracts between the company and its subscribers. He must file an itemized account of the company's financial condition and must furnish any other desired information. This type of act is known as a regulatory act. Its purpose is to prevent unsound and fraudulent companies from gaining access to the public through sale of securities.

The following provinces of the Dominion are operating not a regulatory act but a fraud law: Prince Edward Island, Nova Scotia, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. I can see no necessity, at the moment, of abandoning the fraud laws, and substituting for them new acts. By means of simple amendments and new regulations the present provincial acts could be administered first of all to intercept fraud and unsoundness, and then to deal in the case of going concerns, or in the case of registered brokers or salesmen, with any fraud, inequity, or improper practice on their part which might be held as against the public interest.

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